



**COUNTY OF LOS ANGELES  
TREASURER AND TAX COLLECTOR**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 437  
LOS ANGELES, CA 90012



**MARK J. SALADINO**

TREASURER AND TAX COLLECTOR

May 15, 2012

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

73 May 15, 2012

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

**ISSUANCE AND SALE OF LOS ANGELES UNIFIED SCHOOL DISTRICT 2012-13 TAX AND  
REVENUE ANTICIPATION NOTES (ALL DISTRICTS) (3 VOTES)**

**SUBJECT**

The governing board of the Los Angeles Unified School District (the "District") has requested that the County issue tax and revenue anticipation notes on its behalf in an aggregate principal amount not to exceed \$1,500,000,000. Pursuant to Article 7.6 and commencing with Section 53850 of the Government Code, school districts organized and existing under the laws of the State of California are authorized to borrow money through the issuance of short-term notes. Repayment of the notes will be from the general revenues of the District.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Adopt the resolution authorizing the issuance and sale of the Los Angeles Unified School District 2012-13 Tax and Revenue Anticipation Notes (the "Notes") in an aggregate principal amount not to exceed \$1,500,000,000.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The governing board of the District adopted a resolution on April 10, 2012 and determined that the District needs to borrow funds in an aggregate principal amount not to exceed \$1,500,000,000 to be used for authorized purposes.

Pursuant to Section 53850 et seq. of the California Government Code, the Board of Supervisors is responsible for offering the District's Notes for sale. The Notes are to be issued in the name of and on behalf of the District by the County following receipt of the District's resolution requesting such

borrowing.

### **Implementation of Strategic Plan Goals**

This action supports the County's Strategic Plan Goal #2: Fiscal Sustainability through collaborative actions between the County and other local jurisdictions to provide sufficient financial resources to meet the Fiscal Year 2012-13 cash flow requirements of the District.

### **FISCAL IMPACT/FINANCING**

There will be no fiscal impact to the County budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Tax and revenue anticipation notes are short-term debt instruments that provide borrowers with the ability to finance their operating cash flow deficits during a given fiscal year. The resolution provides for the issuance of Notes at an interest cost not to exceed 6%. The Notes shall mature no later than thirteen months from the date of issuance. Principal and interest payments on the Notes shall be payable from taxes, income, revenue (including, but not limited to, revenue from State and Federal governments), cash receipts and other funds received by the District during or attributable to Fiscal Year 2012-13.

The District has selected Hawkins Delafield & Wood LLP as bond counsel for the Notes. The resolution provides the District with an option to undertake a private placement, negotiated sale, or competitive sale of the Notes. The structure of the Notes will be determined at the time of pricing to achieve the lowest cost of financing for the District.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Not applicable.

### **CONCLUSION**

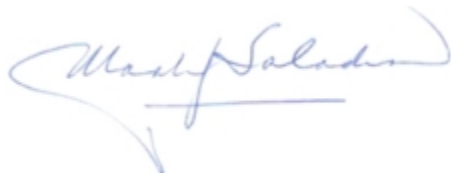
Upon approval, it is requested that the Executive Officer-Clerk of the Board of Supervisors return two originally executed copies of the adopted resolution to the Treasurer and Tax Collector (Office of Public Finance).

The Honorable Board of Supervisors

5/15/2012

Page 3

Respectfully submitted,

A handwritten signature in blue ink, reading "Mark J. Saladino". The signature is fluid and cursive, with a horizontal line drawn underneath the name.

MARK J. SALADINO

Treasurer and Tax Collector

MJS:JP:JW:ad

Enclosures

c: Chief Executive Officer  
Auditor-Controller  
County Counsel  
Los Angeles Unified School District  
Los Angeles County Office of Education  
KNN  
Tamalpais Advisors, Inc.  
Hawkins Delafield & Wood LLP

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES PROVIDING FOR THE ISSUANCE AND SALE OF LOS ANGELES UNIFIED SCHOOL DISTRICT 2012-2013 TAX AND REVENUE ANTICIPATION NOTES, IN ONE OR MORE SERIES AND AT ONE OR MORE TIMES, ALL AS PROVIDED HEREIN IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,500,000,000**

**WHEREAS**, school districts organized and existing under the laws of the State of California (the “State”) are authorized by Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the Government Code of the State (commencing with Section 53850) (the “Act”) to borrow money by the issuance of short-term notes, the proceeds of which may be used and expended for any purpose for which the school district is authorized to spend moneys; and

**WHEREAS**, pursuant to the Act, such notes shall be issued in the name and on behalf of such school district by the board of supervisors of the county, the county superintendant of which has jurisdiction over such school district, as soon as possible following receipt of a resolution of the governing board of such school district requesting such borrowing; and

**WHEREAS**, the Los Angeles Unified School District (the “District”), acting through its Board of Education, being the governing board of the District, has adopted its resolution finding and determining that the District needs to borrow funds in the amount of not to exceed \$1,500,000,000 for Fiscal Year 2012-2013 for authorized purposes of the District (the “District Resolution”), and such resolution requests that the Board of Supervisors of the County of Los Angeles (the “County Board”) to issue, on behalf and in the name of the District, not to exceed \$1,500,000,000 Los Angeles Unified School District, 2012-2013 Tax and Revenue Anticipation Notes (including “Additional Notes” and “Refunding Notes” each as hereinafter defined, collectively, the “Notes”), in one or more series and at one or more times, at a true interest cost not to exceed 6.00% pursuant to said Act for any purposes for which the District is authorized to expend moneys; and

**WHEREAS**, pursuant to Section 53856 of the Act, certain revenues that will be received by the District during Fiscal Year 2012-2013 or accrued to the District during Fiscal Year 2012-2013 may be pledged for the payment of said notes and the interest thereon as hereinafter provided;

**NOW, THEREFORE**, the County Board hereby finds, determines, declares and resolves as follows:

Section 1. County Board Recitals. All of the recitals herein set forth are true and correct, and the County Board so finds and determines.

Section 2. Definitions. Unless the context otherwise requires, the terms defined in this Section 2 shall, for all purposes of this County Resolution, as it now exists and as it may be from time to time amended or supplemented, have the meanings herein specified, as follows:

“Additional Notes” means any Notes issued pursuant to the District Resolution and this County Resolution subsequent to the date of the first series of Notes.

“Authenticating Agent” means the Paying Agent.

“Business Day” means a day on which banks in the States of California and New York are not required or authorized to remain closed and on which The New York Stock Exchange is not closed.

“CFO” shall mean the Chief Financial Officer of the District or her designee.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Controller” shall mean the Controller of the District, Interim Controller of the District or his designee.

“County” means the County of Los Angeles, California.

“County Counsel” means County Counsel of the County.

“County Resolution” means this Resolution of the County Board providing for the issuance and sale of the Notes.

“District Board” means the Board of Education of the District.

“District Resolution” means the resolution of the District Board attached hereto as Exhibit A requesting that the County Board authorize the issuance of the Notes.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Fiscal Agent” means the Paying Agent.

“General Fund Revenues” means taxes, income, revenue, cash receipts, and other moneys of the District as provided in Section 53856 of the Act which are intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.

“Interest Rate” means a single or multiple rates of interest as set forth in the Negotiated Note Purchase Agreement or the Private Placement Note Purchase Agreement or determined in accordance with the terms of the Notice of Sale, as applicable.

“Negotiated Note Purchase Agreement” means the Negotiated Note Purchase Agreement dated the date of sale of the Notes by and among the District, the County and the Underwriters named therein.

“Nominee” means Cede & Co., the nominee of DTC, or such other nominee as DTC may request.

“Note” or “Notes” means all of the Los Angeles Unified School District, 2012-2013 Tax and Revenue Anticipation Notes issued pursuant to this County Resolution.

“Notice of Sale” means the Notice of Sale for the purchase of the Notes.

“Outstanding” when used as of any particular time with reference to Notes, means all Notes being or having been issued pursuant to this County Resolution except (1) Notes theretofore cancelled or surrendered for cancellation; (2) Notes with respect to which all liability of the District shall have been discharged in accordance with Section 3.5 hereof; and (3) Notes in substitution for which other Notes shall have been authenticated and delivered pursuant to this County Resolution.

“Paying Agent” means the Treasurer and Tax Collector of the County acting as Paying Agent, Fiscal Agent and Authenticating Agent hereunder, and having its principal office in Los Angeles, California.

“Private Placement Note Purchase Agreement” means the Private Placement Note Purchase Agreement dated the date of sale of the Notes by and among the District, the County and the purchaser named therein.

“Repayment Account” means the Los Angeles Unified School District, 2012-2013 Tax and Revenue Anticipation Note Repayment Account established pursuant to Section 8 hereof.

“Treasurer” means the Treasurer and Tax Collector of the County.

### Section 3. Terms of the Notes.

3.1 Authorization of Issuance. Solely for the purpose of anticipating General Fund Revenues during Fiscal Year 2012-2013 or accrued to the District and provided for or attributable to Fiscal Year 2012-2013, and not pursuant to any common plan of financing, the County hereby authorizes, subject to the District’s compliance with Section 14 hereof, the issuance in the name and on behalf of the District of Notes in an aggregate principal amount not to exceed \$1,500,000,000 (the “Authorized Amount”) in one or more series and at one or more times under Sections 53850 et seq. of the Act. The Notes shall mature not later than 13 months (computed on the basis of a 360-day year of twelve 30 day months) from said date of delivery, or if such date is not a Business Day, on the last Business Day prior to such date. The Notes shall be designated “Los Angeles Unified School District, 2012-2013 Tax and Revenue Anticipation Notes” (with such additional or other series designations as may be authorized herein).

Additional Notes, except Refunding Notes, may be issued only if (1) such Notes are payable subsequent to the payment of the first Series of Notes and each other Series of Notes theretofore issued and outstanding or (2)(i) no Notes previously issued under this County Resolution are then outstanding or (ii) there is on deposit in the Repayment Account (hereinafter defined) with respect to each Series of Notes then-outstanding an amount equal to or greater than the sum of (A) the then unpaid principal amount of each such Series of the Notes, and (B) any then unpaid interest due or to become due on each such Series of the Notes.

Notwithstanding the provisions set forth in the preceding paragraph and without regard to the maximum principal amount authorized under Section 3.1 hereof, one or more Series of Notes (“Refunding Notes”) may be issued at one or more times in accordance with the provisions of the District Resolution and this County Resolution to refund, in whole or in part, and pay not later

than thirty-five (35) days following the date of delivery of the applicable Refunding Notes, one or more Series of Notes then outstanding, and to pay costs incurred by the District in connection with the authorization, sale and issuance of said Refunding Notes.

The maximum aggregate principal amount of Notes authorized to be issued under this County Resolution, when added to the interest payable thereon, shall not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue (including but not limited to revenue from the State and federal governments), cash receipts and other moneys of the District which will be available for the payment of the Notes and interest thereon, as required by Section 53858 of the Act. In connection with the issuance of Additional Notes, if any, the CFO or the Controller shall have determined that the issuance of such Series of Additional Notes, including Refunding Notes, complies with the foregoing requirement.

3.2 Denominations, Maturity and Payment. The Notes shall be issuable in the denominations of \$5,000 and any integral multiples thereof. Each series of the Notes shall be dated the date of issuance, but in no case prior to July 2, 2012 and not later than June 28, 2013, and shall bear interest in accordance with Section 3.3 hereof, all as set forth in the Negotiated Note Purchase Agreement, the Private Placement Note Purchase Agreement or the Notice of Sale, as applicable,. The Notes may be issued in one or more series and at one or more times as determined by the CFO or the Controller in an aggregate amount not to exceed the Authorized Amount. Principal of and interest on the Notes shall be paid at the principal office of the Paying Agent.

3.3 Interest Rate. Each series of the Notes shall bear interest at the Interest Rate of such Series of the Notes from the initial date of such Series of the Notes to the maturity date of such Series of the Notes and shall be payable on the maturity date of such Series of the Notes or, in the case of a term to maturity greater than one year, shall be payable (1) on a date no later than one year from the date of issuance of such Series of the Notes and (2) on the maturity date of such Series of the Notes. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

NOTWITHSTANDING THE FOREGOING, THE TRUE INTEREST COST WITH RESPECT TO EACH SERIES OF THE NOTES SHALL NOT EXCEED 6.00%.

3.4 (a) Mutilated, Lost, Destroyed or Stolen Notes. If any Note shall become mutilated, the County, at the expense of the owner of said Note, shall execute, and the Authenticating Agent shall authenticate and deliver, a new Note of like tenor and number in exchange and substitution for the mutilated Note, but only upon surrender to the Authenticating Agent of such mutilated Note. Every mutilated Note so surrendered to the Authenticating Agent shall be cancelled by it and delivered to, or upon the order of, the County. If any Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the County, the District and the Authenticating Agent and, if such evidence be satisfactory to each and an indemnity satisfactory to them shall be given, the County, at the expense of the owner, shall execute, and the Authenticating Agent shall thereupon authenticate and deliver a new Note of like tenor and number in lieu of and in substitution for the Note so lost, destroyed or stolen (or if any such Note shall have matured or shall be about to mature, instead of issuing a substitute Note, the Paying Agent may pay the same without surrender thereof). The Authenticating Agent

may require payment of a sum not exceeding the actual cost of preparing each new Note issued pursuant to this paragraph and of the expenses which may be incurred by the District, the County and the Authenticating Agent in the process. Any Note issued under these provisions in lieu of any Note alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Note so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this County Resolution with all other Notes secured by this County Resolution.

(b) Transfer of Notes. Any Note may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 3.4(d) hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Note for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Authenticating Agent.

Whenever any Note shall be surrendered for transfer, the County shall execute and the Authenticating Agent shall authenticate and deliver a new Note. The Authenticating Agent shall require the owner of the Note requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer, and may in addition require the payment of a reasonable sum to cover expenses incurred by the County or the Authenticating Agent in connection with such transfer.

(c) Exchange of Notes. Notes may be exchanged at the office of the Authenticating Agent for a like aggregate principal amount of Notes or other authorized denominations of the same maturity and interest rate. The Authenticating Agent shall require the person requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange, and may in addition require the payment of a reasonable sum to cover expenses incurred by the County or the Authenticating Agent in connection with such exchange.

(d) Register. The Authenticating Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Notes, which shall at all times be open to inspection by any owner of any Note; and, upon presentation for such purpose, the Authenticating Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Notes as hereinbefore provided.

3.5 Ownership, Cancellation of Notes. The District, the County and the Paying Agent may rely on the address of the owner of the Note as it appears in the register for any and all purposes. It shall be the duty of the owner of the Note to give written notice to the Authenticating Agent of any change in such address.

The District, the County and the Paying Agent may treat the person in whose name any Note shall be registered as the absolute owner of such Note, and payment of the principal of and interest on any such Note shall be made only to or upon the order of the registered owner thereof or its legal representative; provided, however, if interest is payable prior to the maturity date, such interest on such Note shall be payable to the person in whose name the Note is registered on the 15th day of the calendar month preceding the month in which such interest is due by wire or check mailed to such registered owner.



All Notes surrendered for payment shall be delivered to the Paying Agent and upon payment shall be promptly cancelled by it. The District may at any time deliver to the Paying Agent for cancellation any Notes previously authenticated and delivered hereunder that the District may have acquired in any manner whatsoever, and all Notes so delivered shall promptly be cancelled by the Paying Agent. No Note shall be authenticated in lieu of or in exchange for any Notes cancelled as provided herein, except as expressly permitted hereunder. All cancelled Notes held by the Paying Agent shall be disposed of in any manner determined by the Paying Agent.

#### Section 4. Book-Entry System.

4.1 General. Notwithstanding anything in this County Resolution or any supplemental resolution to the contrary, the Notes shall be initially issued in the form of separate fully registered Notes. Except as otherwise provided in Sections 4.2 or 4.5 hereof, all Notes issued in book-entry form shall be registered in the name of the Nominee. With respect to the Notes registered in the name of the Nominee, the County and the Paying Agent shall have no responsibility or obligation to any participant or to any person on behalf of which such a participant holds an interest in the Notes. Without limiting the immediately preceding sentence, the County and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, or any participant with respect to any ownership interest in the Notes, (ii) the delivery to any participant or any other person, other than a holder as shown in the registration books of the Authenticating Agent, of any notice with respect to the Notes, or (iii) the payment to any participant or any other person, other than a holder as shown in the registration books of the Authenticating Agent, of any amount with respect to principal of or interest on the Notes. The County and the Paying Agent may treat and consider the person in whose name the Notes are registered in the registration books of the Authenticating Agent as the holder and absolute owner of such Notes for the purpose of payment of principal of, premium, if any, and interest on such Note, for the purpose of giving notices and other matters with respect to such Notes, and for all other purposes whatsoever.

The Paying Agent shall pay all principal of and interest on the Notes only to or upon the order of the respective holders, as shown in the registration books of the Authenticating Agent or their respective attorneys, duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the obligations hereunder with respect to the payment of principal of, premium, if any, and interest on the Notes to the extent of the sum or sums so paid. No person other than a holder, as shown in the registration books of the Authenticating Agent, shall receive a Note evidencing the obligation to make payments of principal, premium, if any, and interest pursuant to this County Resolution and any supplemental resolution.

4.2 Transfers Outside Book-Entry System. In the event (i) DTC determines not to continue to act as securities depository for the Notes, or (ii) the Treasurer determines that DTC shall no longer so act and delivers a written certificate to DTC to that effect, then the Treasurer will discontinue use of the book-entry system with DTC. If the Treasurer determines to replace DTC with another qualified securities depository, the Treasurer shall prepare or direct the preparation of new, separate, fully registered Notes, registered in the name of such successor or substitute qualified securities depository or its nominee, or make such other arrangements acceptable to the County and DTC as are not inconsistent with the terms of this County

Resolution or any supplemental resolution. If the Treasurer fails to identify another qualified securities depository to replace DTC, then the Notes shall no longer be restricted to being registered in the registration books of the Authenticating Agent in the name of the Nominee, but shall be registered in whatever name or names holders of notes transferring or exchanging Notes shall designate in accordance with this County Resolution.

4.3 Payments and Notices to the Nominee. Notwithstanding any other provision of this County Resolution or any supplemental resolution to the contrary, so long as the Notes are registered in the name of the Nominee, all payments with respect to principal of, premium, if any, and interest on such Notes and all notices with respect to such Notes shall be made and given, respectively, as instructed by DTC.

4.4 Initial Depository and Nominee. The initial securities depository under this County Resolution shall be DTC, except as provided in Section 4.5 hereof. The initial Nominee shall be Cede & Co., as Nominee of DTC, except as provided in Section 4.5 hereof.

4.5 Private Placement. The provisions of Sections 4.2, 4.3 and 4.4 shall not be applicable to privately sold Notes in the event that the Private Placement Note Purchase Agreement applicable to such Notes does not provide for DTC to be depository for such Notes.

Section 5. Form of Notes. The Notes shall be issued only in fully registered form, substantially in the form and substance set forth in Exhibit A to the District Resolution and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures.

Section 6. Use of Proceeds. Proceeds of the Notes will be deposited either in the General Fund of the District or if the District has elected that the Note proceeds be invested pursuant to Section 9 hereof, such moneys shall be held by the Fiscal Agent and invested by the Fiscal Agent as requested by the District. Said moneys shall be used and expended by the District for any purpose for which it is authorized to expend moneys from the General Fund of the District or, in the case of Refunding Notes, to pay the debt service on Notes to be refunded and costs incurred by the District in connection with the authorization, sale and issuance of such Refunding Notes. The County shall have no responsibility for assuring the proper use of Note proceeds by the District.

Section 7. Repayment Pledge. The aggregate principal amount of the Notes, together with the interest thereon, shall be payable from General Fund Revenues that are received by the District during Fiscal Year 2012-2013 or accrued to or held by the District and provided for and attributable to Fiscal Year 2012-2013 and which are lawfully available therefor, including, but not limited to, fiscal aid provided by the State and federal governments and proceeds of Refunding Notes.

As security for the payment of the principal of and interest on the Notes, the District shall set aside and deposit or cause to be set aside and deposited an aggregate amount equal to the principal amount of the Notes from General Fund Revenues on dates determined by the CFO, or the Controller. Subject to the limitations set forth in Section 4(A) of the District Resolution, the District shall pledge such amounts, plus an amount sufficient to pay any remaining interest on

the Notes and any deficiency in the amount that was required to be deposited during any prior month, from General Fund Revenues received by the District in one or more months ending prior to the maturity date of the Notes (such pledged amounts being hereinafter called the "Pledged Revenues"). The dates (each a "Pledge Date") and amounts required for deposit, on each Pledge Date, shall be as determined by the CFO or the Controller, and shall be as set forth in the Negotiated Note Purchase Agreement, the Private Placement Note Purchase Agreement or the Notice of Sale, as applicable. In the event the County issues, on behalf of the District, two or more Series of the Notes with the same Pledge Date and the same date of maturity, each such Series shall contain a designation as to its priority in the set aside on such Pledge Date and payment on such maturity date, as applicable.

The principal of the Notes and the interest thereon shall be a first lien and charge against and shall be payable from the first moneys received by the District from such Pledged Revenues, as provided by law.

In the event that there are insufficient General Fund Revenues received by the District to permit the deposit into the Repayment Account (as hereinafter defined) of the full amount of Pledged Revenues to be deposited from General Fund Revenues in any of the months specified as hereinabove provided, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the repayment of the Notes and interest thereon in accordance with Section 53857 of the California Government Code.

Section 8. Establishment of Repayment Account. The Pledged Revenues in an amount as set forth in the Negotiated Note Purchase Agreement, the Private Placement Note Purchase Agreement or the Notice of Sale, as applicable, and not less than the amount required to be deposited in the Repayment Account on such Pledge Date shall be deposited by the Treasurer, on behalf of the District, with, and held in trust by, the Fiscal Agent, as hereinafter appointed, in a special account for the Notes, designated as the "Los Angeles Unified School District, 2012-2013 Tax and Revenue Anticipation Notes, Repayment Account" for the Notes (collectively, the "Repayment Account"), and shall be applied as directed in this County Resolution. Any moneys placed in the Repayment Account shall be for the benefit of the holders of the Notes and, until the Notes and all interest thereon are paid or until provision has been made for the payment of the Notes at the respective maturity date for such Series of Notes, together with interest to such maturity date, the moneys in the Repayment Account shall be applied only for the purposes for which the Repayment Account is created.

The Pledged Revenues are required to be deposited in the Repayment Account in the amounts indicated in Section 7 on each Pledge Date. In the event that there have been insufficient General Fund Revenues received by the Treasurer on behalf of the District, by the third Business Day prior to any Pledge Date, to permit the deposit into the Repayment Account of the full amount of the Pledged Revenues required to be deposited with respect to such Pledge Date, then the amount of any deficiency in the Repayment Account shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of the Notes and the interest thereon, when and as such other moneys lawfully available for payment of the principal of and interest on the Notes are received by the Treasurer, on behalf of the District, or directly by the District. Moneys in the Repayment Account shall be used to pay the principal of and interest on a Series of Notes, in full when due in the order of their maturity.

In the event the County issues, on behalf of the District, two or more Series of the Notes with the same Pledge Date and/or the same date of maturity, each such Series shall contain a designation as to its priority in the set aside on such Pledge Date and payment on such maturity date, as applicable. Any balance in the Repayment Account on the day after the final maturity date of the Notes (including Refunding Notes) in excess of the amounts needed to pay the principal of and interest on the Notes shall be transferred to the District's General Fund.

Section 9. Investment of Note Proceeds and Repayment Account. Note proceeds may be held by the Fiscal Agent and invested by the Fiscal Agent at the request of the District in one or more investment agreements and/or guaranteed investment contracts, provided, however, that the long-term ratings of the provider of such agreement or contract, as of the date of execution and delivery of such agreement or contract, shall be at least "AA-" by Standard & Poor's Ratings Services, A Division of the McGraw-Hill Companies ("S&P") and "Aa2" by Moody's Investors Service ("Moody's"). Absent such request, Note proceeds will be deposited in the General Fund of the District pursuant to Section 6 hereof. The District shall not invest or cause to be invested any proceeds of the Notes or moneys deposited in the Repayment Account unless such investments shall mature or be redeemable in order to provide for timely payment of principal of and interest on the Notes when due.

Balances in the Repayment Account shall be invested as permitted by Section 53601 of the California Government Code or as determined by the District as it deems appropriate, which authority is granted herein in compliance with Section 53601.1 of the California Government Code; provided that any such investment shall only be made (1) in direct obligations of the United States of America, including United States Treasury notes, bonds and bills, (2) in obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (3) in obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, (4) in the Los Angeles County Treasurer's Pool or (5) in one or more investment agreements and/or guaranteed investment contracts; provided, however, that the long-term ratings of the provider of such agreement or contract shall be at least "AA-" by S&P and "Aa2" by Moody's. The District shall not invest any proceeds of the Notes or moneys deposited in the Repayment Account unless such investments shall mature or be redeemable in order to provide for timely payment of principal of and interest on the Notes when due.

The proceeds of investments of moneys held and invested by the Fiscal Agent pursuant hereto shall be retained or accounted for by the Fiscal Agent until the principal of all of the Notes (including Refunding Notes) and the unpaid interest thereon shall have been fully paid or until provision shall have been made for such payment, at which time any excess amount shall be transferred to the General Fund of the District.

Section 10. Fiscal Agent. The Paying Agent is hereby appointed Fiscal Agent for the Notes. Funds held by the Fiscal Agent pursuant hereto shall be held and invested as herein provided. This appointment shall not preclude the Treasurer from removing the Fiscal Agent and appointing one or more successors thereto, all without notice to or the consent of the holder of any Note. Any such successor fiscal agent shall be acceptable to the District.

Section 11. Sale of the Notes. The Notes shall be sold (i) by a negotiated sale pursuant to the Negotiated Note Purchase Agreement, (ii) by a private placement pursuant to the Private Placement Note Purchase, or (iii) by a competitive sale pursuant to the Notice of Sale, as determined by the CFO or the Controller, as determined to be in the best interest of the District.

In the event that the CFO or the Controller determines that a competitive sale of the Notes is in the best interest of the District, the Treasurer or any authorized deputy or delegate of the Treasurer, in consultation with the CFO or the Controller, is hereby directed to accept the highest responsible bids for the Notes as provided in the Notice of Sale in substantially the form set forth in Exhibit B hereof, with such changes as the Treasurer shall deem necessary or desirable to implement the competitive sale of the Notes consistent with the terms of this County Resolution. Such execution shall constitute conclusive evidence of the approval by the County of the Notice of Sale in the form finally executed.

In the event the CFO or the Controller determine that a negotiated sale of the Notes is in the best interest of the District, the Treasurer is hereby authorized and directed on behalf of the County to execute the Negotiated Note Purchase Agreement in substantially the form set forth in Exhibit C hereof, with such changes as the Treasurer shall deem necessary or desirable to implement the negotiated sale of the Notes consistent with the terms of this County Resolution. Such execution shall constitute conclusive evidence of the approval by the County of the Negotiated Note Purchase Agreement in the form finally executed.

In the event that the CFO or the Controller determine that a private placement of the Notes is in the best interest of the District, the Treasurer is hereby authorized and directed on behalf of the County to execute the Private Placement Note Purchase Agreement in the form of the Negotiated Note Purchase Agreement, with such modifications as the Treasurer shall deem appropriate to reflect the form of sale as a private placement and such other changes as the Treasurer shall deem necessary or desirable to implement the private placement sale of the Notes consistent with the terms of this County Resolution. Such execution shall constitute conclusive evidence of the approval by the County of the Private Placement Note Purchase Agreement in the form finally executed.

Section 12. Execution of the Notes. The Chairman of the County Board, the Executive Officer-Clerk of the County Board and the Treasurer are hereby authorized and directed to sign the Notes by use of their manual or facsimile signatures, and the Executive Officer-Clerk of the County Board is hereby authorized to affix the seal of the County thereto by facsimile impression thereof, and said officers are hereby authorized to cause the blank spaces thereof to be filled in as may be appropriate. The Notes shall not be valid, unless and until the Authenticating Agent shall have manually authenticated such Notes.

Section 13. Validity of Proceedings. It is hereby covenanted and warranted by the County that the County, and its respective appropriate officials, have duly taken all actions necessary to be taken by them, and will take any actions required by law to be taken by them, for the levy, collection and enforcement of the taxes pledged hereunder in accordance with law and for carrying out the provisions of this County Resolution.

Section 14. Tax Covenants. The District has covenanted in the District Resolution that it will make no use of the proceeds of the Notes or any other amounts that would cause the Notes to be “arbitrage bonds” under Section 148 of the Code; and, to that end, so long as any of the Notes are outstanding, the District and all of its officers having custody or control of such proceeds have agreed in the District Resolution to comply with all requirements of said Section 148 and the Treasury Regulations promulgated thereunder, including restrictions on the use and investment of proceeds of the Notes and certain other amounts and the rebate of a portion of the investment earnings on certain amounts, including proceeds of the Notes, if required, to the federal government. The District has further covenanted in the District Resolution to do and perform all acts and things within its power and authority necessary to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code. In furtherance of the covenants contained in the District Resolution and referenced in this Section 14, the District has agreed to comply with the Tax Certificate to be executed by the District on the date of issuance and delivery of each series of Notes (each, a “Tax Certificate”). The Paying Agent, by acceptance of its duties hereunder, agrees to cooperate with the District in order to comply with each Tax Certificate in such manner as shall be mutually agreed by the Paying Agent and the District. The District has covenanted in the District Resolution that it will take no action that would cause the interest on the Notes to be included in gross income for federal income tax purposes, nor will it refrain from taking action required to maintain the exclusion of interest on the Notes from gross income for federal income tax purposes.

[Remainder of Page Intentionally left Blank]

Section 15. Effectiveness. This County Resolution shall become effective upon its adoption by the County Board.

The foregoing resolution was adopted on the 15<sup>th</sup> day of May, 2012 by the Board of Supervisors of the County of Los Angeles and *ex-officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

SACHI A. HAMAI  
Executive Officer-Clerk of the Board of Supervisors

By

Deputy

Lachelle Amitherman

Approved as to form:

JOHN F. KRATTLI  
Acting County Counsel

By

Samy C. D. Park  
Principal Deputy County Counsel



**EXHIBIT A**  
**DISTRICT RESOLUTION**



COPY CERTIFICATION BY DOCUMENT CUSTODIAN

State of California  
County of Los Angeles } ss.

I, Jefferson Crain, hereby declare that the attached reproduction of Board of Education  
Report No. 219 – 11/12, Tax and Revenue Anticipation Notes (including Attachment A & Exhibit A)  
is a true, correct and complete photocopy of a document in my possession or control.



(seal)

Signature of Affiant

Subscribed and sworn to (or affirmed) before me  
on this 26<sup>th</sup> day of April, 2012, by  
Jefferson Crain, proved  
to me on the basis of satisfactory evidence to be  
the person who appeared before me.

Signature of Notary

----- OPTIONAL INFORMATION -----

Date of Document April 10, 2012

Type or Title of Document Board of Education Report No. 219 – Tax & Revenue Anticipation Notes (including Attachment A & Exhibit A) q

Number of Pages in Document 18

Document in a Foreign Language \_\_\_\_\_

Type of Satisfactory Evidence:

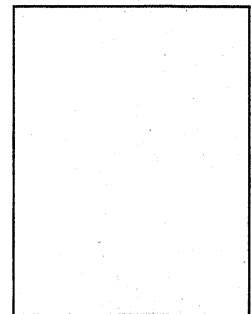
- ☐ Personally Known with Paper Identification  
☒ Paper Identification  
☐ Credible Witness(es)

Capacity of Signer:

- ☐ Trustee  
☐ Power of Attorney  
☐ CEO / CFO / COO  
☐ President / Vice-President / Secretary / Treasurer  
☒ Other: Executive Officer of the Board

Other Information: Certified 5 Copies

Thumbprint of Signer



☐ Check here if no  
thumbprint or fingerprint  
is available.



## LOS ANGELES UNIFIED SCHOOL DISTRICT Board of Education Report

<b>Report Number:</b>	219-11/12
<b>Date:</b>	April 10, 2012
<b>Subject:</b>	2012-13 TAX AND REVENUE ANTICIPATION NOTES
<b>Responsible Staff:</b>	
Name	Megan K. Reilly
Office/Division	Chief Financial Officer
Telephone No.	(213) 241-7888

### BOARD REPORT

**Action Proposed:** The Board is requested to:

1. approve the attached resolution (Attachment A) ("Resolution") authorizing the preparation and sale of not to exceed \$1.5 billion of 2012-2013 Tax and Revenue Anticipation Notes (the "TRANS") in one or more series to fund temporary cash flow deficits in the General Fund and costs of issuance and to direct certain actions in connection therewith;
2. approve the form of the Preliminary Official Statement and other legal documents for the transaction;
3. authorize the sale of TRANS by public (competitive) sale, negotiation with a team of underwriters from the District's underwriting pool, or by private placement;
4. direct the Chief Financial Officer and other Officers of the District to assemble the financing team, to be comprised of Tamalpais Advisors, Inc. – KNN Public Finance, Financial Advisor; Hawkins, Delafield & Wood LLP, as Bond and Disclosure; Sidley Austin LLP, as Tax Counsel; the County Treasurer-Tax Collector as Fiscal and Paying Agent; and
5. authorize Budget Services and Financial Planning Division to make the necessary budget adjustments to reflect the anticipated TRANS receipts and the scheduled repayment.

**Background:** As in prior fiscal years, staff requests authorization for a TRANS issuance within an early July timeframe. This TRANS issuance is necessary because the District experiences temporary cash flow deficits at particular periods during the fiscal year. These cash deficits are principally due to: 1) the State's regular practice of deferring a portion of the regular July, August, and October State apportionments to later months, a pattern the State is likely to continue in Fiscal Year 2012-13; and 2) the concentration



## LOS ANGELES UNIFIED SCHOOL DISTRICT Board of Education Report

of property tax receipts in December and April.

In addition, the attached Resolution establishes a not-to-exceed amount of \$1.5 billion of TRANs to provide flexibility once the final sizing is determined in June, as the District will need to issue an initial TRANs in July in the approximate amount of about \$750 million to fund the fall 2012 cash flow deficit and a possible second TRANs to fund subsequent cash flow deficiencies in 2012-13.

Cash flow projections are particularly difficult going into next fiscal year because of uncertainties related to the State deferrals, passage of the Governor's initiative, and the realization of tax increment payments from redevelopment areas. Thus, the not-to-exceed TRANs amount of \$1.5 billion is intended to provide maximum flexibility to deal with unknown or uncertain factors.

**Expected Outcomes:** Authorization for an issuance of one or more TRANs transaction(s), which will mitigate the impact of temporary General Fund cash flow deficits in a cost-effective manner.

**Board Options and Consequences:** If approved, the Board will authorize a financing team for the sale of TRANs on a competitive, negotiated, or private placement basis, and the form of the initial Preliminary Official Statement and other documents necessary for the issuance(s) in a timely fashion.

Alternatively, the District may finance temporary cash deficits through internal borrowing or a line of credit with a commercial bank, provided such a credit line is available. These options, however, may not provide sufficient liquidity to address the District's needs, may result in additional budgetary costs, and would risk the District's ability to timely meet payroll and benefit expenditures.

**Policy Implications:** This action has been reviewed and is in compliance with the District's Debt Policy.

**Budget Impact:** The TRANs issuance will enable the District to meet short-term District operational needs during low cash flow periods.

**Issues and Analysis:** Staff has found TRANs to be the most cost-effective approach to obtain borrowing for short-term operating purposes. LAUSD has issued TRANs annually since 1990-91 to fund timing differences between receipts and disbursements.



## **LOS ANGELES UNIFIED SCHOOL DISTRICT**

### **Board of Education Report**

The District typically has used a competitive sale method for its TRANS issuances. This approach has been cost effective, as it takes advantage of competition among all of the major municipal underwriters. However, if market conditions are not stable or credit approval not obtained by early June, Finance will likely proceed with a negotiated sale or private placement, with underwriters selected in accordance with the Debt Management Policy.

**Attachments:** Attachment A: Resolution

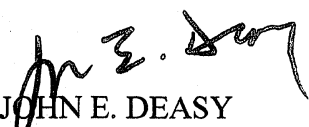
☒ **Informative**

☐ **Desegregation  
Impact Statement**

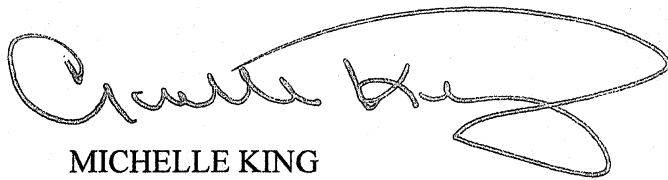


**LOS ANGELES UNIFIED SCHOOL DISTRICT**  
**Board of Education Report**


Respectfully submitted,

  
DR. JOHN E. DEASY  
Superintendent

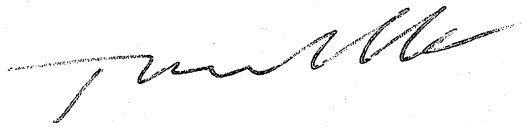
APPROVED BY:

  
MICHELLE KING  
Senior Deputy Superintendent  
School Operations

REVIEWED BY:

  
DAVID HOLMQUIST  
General Counsel

☒ Approved as to form.

  
TONY ATIENZA  
Director of Budget Services and  
Financial Planning (Interim)

☒ Approved as to budget impact statement.

APPROVED &  
PRESENTED BY:

  
MEGAN K. REILLY  
Chief Financial Officer

## ATTACHMENT A

**RESOLUTION OF THE BOARD OF EDUCATION OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$1,500,000,000 2012-13 TAX AND REVENUE ANTICIPATION NOTES IN ONE OR MORE SERIES AND AT ONE OR MORE TIMES, ALL AS PROVIDED HEREIN, FOR SAID DISTRICT, APPROVING THE SALE OF SUCH NOTES BY A NEGOTIATED SALE, PRIVATE PLACEMENT OR COMPETITIVE SALE, APPROVING THE FORMS OF OFFICIAL STATEMENT AND OTHER LEGAL DOCUMENTS AND CERTIFICATES, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO ISSUE SAID NOTES AND APPROVING OTHER ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, pursuant to Sections 53850 et seq. of the Government Code of the State of California (the "Act") contained in Article 7.6, Chapter 4, Part 1, Division 2, Title 5 thereof, entitled "Temporary Borrowing," on or after the first day of any Fiscal Year (being July 1), the Los Angeles Unified School District (the "District") may borrow money by issuing notes for any purpose for which the District is authorized to use and expend moneys, including but not limited to current expenses, capital expenditures, investment and reinvestment and the discharge of any obligation or indebtedness of the District; and

**WHEREAS**, Section 53853 of the Act provides that such notes must be issued in the name of a district by the board of supervisors of the county, the county superintendent of which has jurisdiction over said district, as soon as possible following the receipt of a resolution of the governing board of the district requesting the borrowing; and

**WHEREAS**, the County Superintendent of Schools of the County of Los Angeles (the "County Superintendent of Schools") has jurisdiction over the District, and this Board of Education (the "District Board"), being the governing board of the District, hereby requests the borrowing of not to exceed \$1,500,000,000 through the issuance by the County of Los Angeles (the "County") of the Los Angeles Unified School District, 2012-2013 Tax and Revenue Anticipation Notes (including "Additional Notes" and "Refunding Notes" each as hereinafter defined, collectively, the "Notes"), in one or more series and at one or more times, in the name of the District, at a true interest cost not to exceed 6.00%; and

**WHEREAS**, the District Board has deemed it necessary and desirable to authorize the sale of the Notes by (i) a negotiated sale pursuant to a Note Purchase Agreement (the "Negotiated Note Purchase Agreement") with the underwriters designated therein, (ii) a private placement pursuant to a Note Purchase Agreement (the "Private Placement Note Purchase Agreement") with the purchasers designated therein, or (iii) a competitive sale pursuant to a Notice of Sale, with such Notes to be sold to the winning bidder pursuant to the Notice of Sale (the "Notice of Sale"), as determined by the Chief Financial Officer or her designee (the "CFO"), or the Controller, the Interim Controller or his designee (the "Controller") to be in the best interest of the District; and

**WHEREAS**, the Notes shall be payable only from revenue received in or accrued during Fiscal Year 2012-2013, including, but not limited to, revenue provided by the State of California

(the "State") and the federal government and the proceeds of Refunding Notes (as hereinafter defined), if any; and

**WHEREAS**, pursuant to Section 53856 of the Act, the District may pledge any taxes, income, revenue, cash receipts, and other moneys of the District, including moneys deposited in inactive or term deposits (but excepting certain moneys which, when received by the District, will be encumbered for a special purpose unless an equivalent amount of the proceeds from said Notes is set aside for and used for said special purpose), and this Resolution specifies that taxes, income, revenue, cash receipts, and other moneys of the District which are generally available for the payment of current expenses and other obligations of the District received by the District for the General Fund of the District during Fiscal Year 2012-2013 or accrued during Fiscal Year 2012-2013 (collectively, the "General Fund Revenues"), as provided in Section 53856 of the Act, are pledged for the payment of the Notes; and

**WHEREAS**, the Notes shall be a general obligation of the District and, to the extent not paid from the taxes, income, revenue, cash receipts and other moneys of the District pledged for the payment thereof, shall be paid with interest thereon from any other moneys of the District lawfully available therefor, as required by Section 53857 of the Act; and

**WHEREAS**, the District Board has found and determined that said \$1,500,000,000 maximum aggregate principal amount of Notes to be issued by the County on behalf of the District in Fiscal Year 2012-2013, when added to the interest payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue (including but not limited to revenue from the State and federal governments), cash receipts and other moneys of the District which will be available for the payment of the Notes and interest thereon, as required by Section 53858 of the Act; and

**NOW, THEREFORE**, the District Board hereby resolves as follows:

Section 1. Authorization of Issuance of Notes; Terms Thereof; Paying Agent. The District Board hereby requests the Board of Supervisors of the County (the "County Board") to issue in the name of the District, an amount not to exceed \$1,500,000,000 aggregate principal amount of Notes in one or more series and at one or more times as determined by the CFO under Sections 53850 et seq. of the Act, designated "Los Angeles Unified School District, 2012-2013 Tax and Revenue Anticipation Notes" (with such additional or other series designations as may be authorized herein) to be numbered from 1 and consecutively upward in order of issuance of a Series of Notes. Each Series of Notes will be in denominations of \$5,000, or integral multiples thereof, or as otherwise determined by the CFO after conferring with the Treasurer and Tax Collector of the County (the "Treasurer"), dated the date of delivery thereof, but in no case prior to July 2, 2012 and not later than June 28, 2013, to mature not later than 13 months (computed on the basis of a 360-day year of twelve 30-day months) from said date of delivery, or if such dates are not a day on which banks in the States of New York and California are open for business, on the last business day prior to such date, and bear interest, payable at maturity (or in the case of a term to maturity greater than one year, (i) on a date no later than one year from the date of issuance of a Series of Notes and (ii) on the date of maturity (as described below)) by check mailed or wire transfer to the registered owners thereof, at a single or multiple rates of interest but not in excess of the legal maximum interest rate of 12.00% per annum and not in

excess of a true interest cost of 6.00% computed on the basis of a 360 day year of twelve 30 days months, all as shall be determined at the time of sale of a Series of Notes and set forth in the Negotiated Note Purchase Agreement, the Private Placement Note Purchase Agreement or Notice of Sale, as applicable. The District may determine to have two or more Series have the same Pledge Date (hereinafter defined) and/or mature on the same date if each Series contains a designation as to its priority in the set aside on such Pledge Date or payment on such maturity date, as applicable. Any Notes issued pursuant to this Resolution subsequent to the date on which the first Series of Notes is issued are referred to herein as "Additional Notes" and shall be payable subsequent to the payment of each prior Series of Notes, as further provided herein in Section 4 hereof. The principal of the Notes shall be payable only upon surrender thereof in lawful money of the United States of America at the principal office of the Treasurer which is hereby designated to be the paying agent on the Notes (in such capacity, the "Paying Agent") or such other paying agent as the County and District may designate. Interest shall be payable upon surrender as described in the preceding sentence except as otherwise provided in this Section 1. The District Board hereby approves the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable.

Additional Notes, except Refunding Notes, may be issued only if (1) such Notes are payable subsequent to the payment of the first Series of Notes and each other Series of Notes theretofore issued and outstanding or (2)(i) no Notes previously issued under this Resolution are then outstanding or (ii) there is on deposit in the Repayment Account (hereinafter defined) with respect to each Series of Notes then-outstanding an amount equal to or greater than the sum of (A) the then unpaid principal amount of each such Series of Notes and (B) any then unpaid interest due or to become due on each such Series of Notes.

Notwithstanding the provisions set forth in the preceding paragraph and without regard to the maximum principal amount authorized under Section 1 hereof, one or more Series of Notes ("Refunding Notes") may be issued at one or more times in accordance with the provisions of this Resolution to refund, in whole or in part, and pay not later than thirty-five (35) days following the date of delivery of the applicable Refunding Notes, one or more Series of Notes then outstanding, and to pay costs incurred by the District in connection with the authorization, sale and issuance of said Refunding Notes.

The maximum aggregate principal amount of Notes authorized to be issued under this Resolution, when added to the interest payable thereon, shall not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue (including but not limited to revenue from the State and federal governments), cash receipts and other moneys of the District which will be available for the payment of the Notes and interest thereon, as required by Section 53858 of the Act. In connection with the issuance of Additional Notes, if any, the CFO or the Controller shall have determined that the issuance of such Series of Additional Notes, including Refunding Notes, complies with the foregoing requirement.

Section 2. Form of Notes. The Notes shall be issued in fully registered form, without coupons, and shall be substantially in the form and substance set forth in Exhibit A attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures. The Notes shall be issued on the dates to be designated by the



County Board as permitted by Section 53853 of the Act and shall be in the form and executed in the manner prescribed in this Resolution, as permitted and required by Section 53853 of the Act.

Section 3. Deposit of Note Proceeds. Proceeds of the Notes shall be deposited either in the General Fund of the District or if the CFO or the Controller has elected that the Note proceeds be invested pursuant to Section 11 hereof, such moneys shall be held by the Paying Agent, in its capacity as fiscal agent (the "Fiscal Agent"), and invested by the Fiscal Agent, as directed by the District. Said proceeds of the Notes, excluding the proceeds of the Refunding Notes, shall be used and expended by the District for any purpose for which it is authorized to expend moneys from the General Fund of the District. Proceeds of the Refunding Notes shall be deposited and be held by the Paying Agent in a special, escrow for said Refunding Notes. Said proceeds of the Refunding Notes shall be used and expended by the District to pay the debt service on Notes to be refunded and costs incurred by the District in connection with the authorization, sale and issuance of such Refunding Notes.

Section 4. Payment of Notes.

(A) Source of Payment. The aggregate principal amount of the Notes, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the District during Fiscal Year 2012-2013 or accrued to the District during Fiscal Year 2012-2013 and which are lawfully available therefor, including, but not limited to, fiscal aid provided by the State and federal government and proceeds of Refunding Notes. The Notes shall be a general obligation of the District, and, to the extent the Notes are not paid from the Pledged Revenues, as defined below, the Notes, together with interest thereon, shall be paid from any other moneys of the District lawfully available therefor, as provided herein and by law.

(B) Pledged Revenues. As security for the payment of the principal of and interest on the Notes, the District shall set aside and deposit an aggregate amount equal to the principal amount of the Notes from General Fund Revenues on such dates and in such amounts as determined by the CFO or the Controller as herein provided. Subject to the limitations set forth in Section 4(A) above, the District hereby pledges such amounts, plus an amount sufficient to pay any remaining interest on the Notes and any deficiency in the amount that was required to be deposited during any prior month, from General Fund Revenues received by the District in one or more months ending prior to the maturity date of the Notes and on a date during the month that includes the maturity date of the Notes, provided that such date is at least three business days prior to the maturity date of the Notes (such pledged amounts being hereinafter called the "Pledged Revenues"). The dates (each a "Pledge Date") and amounts required for deposit, on each Pledge Date shall be as determined by the CFO or Controller and shall be as set forth in the Negotiated Note Purchase Agreement, the Private Placement Note Purchase Agreement or the Notice of Sale, as applicable. The District may determine to have two or more Series have the same Pledge Date and mature on the same date if each Series contains a designation as to its priority in the set aside on such Pledge Date and payment on such maturity date, as applicable.

The principal of the Notes and the interest thereon shall be a first lien and charge against and shall be payable from the first moneys received by the District from such Pledged Revenues, as provided by law.

In the event that there are insufficient General Fund Revenues received by the District to permit the deposit into the Repayment Account (as hereinafter defined) of the full amount of Pledged Revenues to be deposited from General Fund Revenues in any of the months specified as hereinabove provided, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the repayment of the Notes and interest thereon in accordance with Section 53857 of the Act.

(C) Deposit of Pledged Revenues in Repayment Account. The District shall deposit or cause the Treasurer to deposit on each Pledge Date in the Repayment Account held by the Paying Agent the amount of Pledged Revenues as set forth in the Negotiated Note Purchase Agreement, Private Placement Note Purchase Agreement or Notice of Sale, as applicable, and not less than the amount required to be deposited in the Repayment Account on such Pledge Date. The District hereby agrees that if there have been insufficient General Fund Revenues received by the Treasurer on behalf of the District by the third business day prior to any Pledge Date to permit the deposit into the Repayment Account of the full amount of the Pledged Revenues required to be deposited with respect to such Pledge Date, then the amount of any deficiency in the Repayment Account shall be satisfied in full, but only to the extent permitted by law, from any other moneys of the District lawfully available for the payment of the principal of the Notes and the interest thereon, when and as such Pledged Revenues and such other moneys lawfully available for payment of the principal of and interest on the Notes are received by the Treasurer, on behalf of the District, or directly by the District. Moneys in the Repayment Account shall be used to pay the principal of and interest on a Series of Notes, in full when due in the order of their priority. The District may determine to have two or more Series have the same Pledge Date and/or mature on the same date if each Series contains a designation as to its priority in the set aside on such Pledge Date and payment on such maturity date, as applicable.

The Pledged Revenues and other moneys lawfully available for payment of the principal of and interest on the Notes shall be held by the Paying Agent in a special account for the Notes, designated as the "Los Angeles Unified School District 2012-2013 Tax and Revenue Anticipation Notes, Repayment Account" (the "Repayment Account"), and applied as provided in this Resolution. Any moneys placed in the Repayment Account shall be for the benefit of the holders of the Notes and, until the Notes and all interest thereon are paid or until provision has been made for the payment of the Notes at the respective maturity date for each Series of Notes, together with interest to such maturity date, the moneys in the Repayment Account shall be applied only for the purposes for which the Repayment Account is created.

(D) Disbursement and Investment of Moneys in Repayment Account. From the date of delivery of the Notes, all Pledged Revenues shall be deposited in the Repayment Account. After such date as the amount of Pledged Revenues deposited in the Repayment Account shall be sufficient to pay in full the principal of and interest on the Notes when due, any moneys in excess of such amount remaining in or accruing to the Repayment Account shall be transferred to the General Fund of the District upon the request of the District. On the interest payment date and maturity dates of each Series of Notes, the moneys in the Repayment Account shall be used, to the extent necessary, to pay the principal of and interest on the related Series of Notes required to be paid in accordance with the Negotiated Note Purchase Agreement, the Private Placement Note Purchase Agreement or Notice of Sale, as applicable.

Moneys in the Repayment Account, to the greatest extent possible, shall be invested at the request of the District in investment securities by the Fiscal Agent, (i) as permitted by applicable California law, as it is now in effect and as it may be amended, modified or supplemented from time to time or (ii) as determined by the District as it deems appropriate, which authority is granted herein in compliance with Section 53601.1 of the Act; provided that such investment shall mature or be redeemable in order to provide for timely payment of principal of and interest on the Notes when due; provided further that any such investment shall only be made (1) in direct obligations of the United States of America, including United States Treasury notes, bonds and bills, (2) in obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (3) in obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, (4) in the Treasurer's County Treasury Pool, and (5) as provided in Section 11 hereof.

Section 5. Execution of Notes. The District hereby requests the Chairman of the County Board, the Executive Officer Clerk of the County Board and the Treasurer to sign the Notes by use of their manual or facsimile signatures and the Executive Officer Clerk of the County Board to affix the seal of the County thereto by facsimile impression thereof. Said officers are hereby requested to cause the blank spaces thereof to be filled in as may be appropriate. The Notes shall not be valid unless and until the Treasurer and Tax Collector of the County of Los Angeles, as authenticating agent, shall have manually authenticated such Notes.

Section 6. Sale of Notes. The distribution of the Preliminary Official Statement, Official Statement, the Negotiated Note Purchase Agreement, the Private Placement Note Purchase Agreement and the Notice of Sale, as applicable, are approved in connection with the offering and sale or placement of the Notes. The actions of the Underwriters and the Financial Advisor (as hereinafter defined), as applicable, on behalf of the District, in distributing the Preliminary Official Statement, Official Statement, the Private Placement Memorandum, the Negotiated Note Purchase Agreement, the Private Placement Note Purchase Agreement or the Notice of Sale, as applicable, to such municipal bond broker-dealers, to such banking institutions and to such other persons as may be interested in purchasing the Notes therein offered for sale are hereby approved. The Notes shall be sold (i) by a negotiated sale pursuant to the Negotiated Note Purchase Agreement, (ii) by a private placement pursuant to the Private Placement Note Purchase Agreement, or (iii) by a competitive sale pursuant to the Notice of Sale pursuant to the Notice of Sale (the "Notice of Sale"), as determined by the CFO or the Controller to be in the best interest of the District.

(A) Negotiated Sale. In the event the CFO or the Controller determines that a negotiated sale of the Notes is in the best interest of the District, the CFO, the Controller or any other officer authorized by the CFO or Controller (an "Authorized Officer" or "Authorized Officers") are hereby authorized and directed on behalf of the District to execute the Negotiated Note Purchase Agreement with the underwriters named therein who shall be designated in accordance with the District's Debt Management Policy (collectively, the "Underwriters") in the form on file with the Executive Officer of the District Board (the "Executive Officer") and hereby approved, with such changes as such Authorized Officer shall deem necessary or desirable to implement the negotiated sale of the Notes consistent with the terms of this

Resolution. Such execution shall constitute conclusive evidence of the approval by the District of the Negotiated Note Purchase Agreement in the form finally executed.

(B) Private Placement Sale. In the event that the CFO or the Controller determines that a private placement of the Notes is in the best interest of the District, an Authorized Officer is hereby authorized and directed on behalf of the District to execute the Private Placement Note Purchase Agreement in the form of the Negotiated Note Purchase Agreement, with such modifications as the Authorized Officer shall deem appropriate to reflect the form of private placement and such other changes as such Authorized Officer shall deem necessary or desirable to implement the private placement of the Notes consistent with the terms of this Resolution. The Private Placement Note Purchase Agreement shall include a provision whereby the purchaser represents that it is an "accredited investor" as defined under Regulation D of the Securities Act of 1933, as amended (the "1933 Act"), or a "qualified institutional buyer" as defined under Rule 144(a) of the 1933 Act. Such execution shall constitute conclusive evidence of the approval by the District of the Private Placement Note Purchase Agreement in the form finally executed.

(C) Competitive Sale. In the event that the CFO or the Controller determines that a competitive sale of the Notes is in the best interest of the District, the Treasurer or any authorized deputy or delegate of the Treasurer, in consultation with an Authorized Officer, is hereby directed to accept the highest responsible bids for the Notes as provided in the Notice of Sale. The County Board is hereby requested to cause the Notice of Sale to be approved on behalf of the County, subject to such changes or revisions therein as may be acceptable to the CFO or the Controller and the County. The execution of the Notice of Sale by the Treasurer shall constitute conclusive evidence of the approval by the District of the Notice of Sale in the form finally executed.

Section 7. Authorization of Preliminary Official Statement, Official Statement or Private Placement Memorandum. When completed, the preliminary official statement (the "Preliminary Official Statement") relating to the Notes in substantially the form on file with the Executive Officer is hereby deemed approved. The Financial Advisor and the Underwriters, as the case may be, are hereby authorized to distribute copies of the Preliminary Official Statement to qualified broker-dealers or persons who may be interested in purchasing such Notes. Each Authorized Officer, acting singly, is hereby authorized to certify on behalf of the District, that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 ("Rule 15c2-12") promulgated under the Securities Exchange Act of 1934, as amended (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12). The Official Statement in substantially said form (the "Official Statement"), with such changes as each Authorized Officer, acting singly, may approve (including all information previously permitted to have been omitted by Rule 15c2-12), which approval shall be conclusively evidenced by execution by such Authorized Officer of the Official Statement and delivery thereof to the Underwriters or purchasers of the Notes, as the case may be, within 7 business days of the sale of the Notes, is hereby approved. The form of private placement memorandum (the "Private Placement Memorandum") relating to the Notes in the form of the Official Statement with such modifications as the Authorized Officer determines are appropriate to reflect the private placement of the Notes is hereby deemed approved in the event the purchaser requests a Private Placement Memorandum. Unless a placement agent shall have

been appointed by the District to distribute the Private Placement Memorandum, Tamalpais Advisors, Inc. - KNN Public Finance, A Joint Venture, the Financial Advisor to the District in connection with the Notes (the "Financial Advisor"), is hereby authorized to distribute copies of the Private Placement Memorandum to an "accredited investor" as defined under Regulation D of the 1933 Act or a "qualified institutional buyer" as defined under Rule 144(a) of the 1933 Act who may be interested in purchasing such Notes.

Section 8. Authorization of Disclosure Certificate. An Authorized Officer is hereby authorized to execute the Disclosure Certificate in substantially the form on file with the Executive Officer, which shall be used in connection with the offering and sale of each series of the Notes. The District hereby covenants and agrees that it shall comply with and carry out all of the provisions of the Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Disclosure Certificate shall not be considered an event of default; however, any holder or beneficial owner of the Notes may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 9. Delivery of Notes. The proper officers of the County are hereby requested to deliver the Notes to the purchasers of the Notes. All actions heretofore taken by the officers and agents of the District Board with respect to the Notes are hereby approved, confirmed and ratified, and the officers of the District Board are hereby authorized and directed to do any and all things and take any and all actions which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Notes in accordance with this Resolution and resolutions hereafter adopted by the County Board.

Section 10. Blanket Issuer Letter of Representations. The Depository Trust Company, New York, New York ("DTC") is hereby appointed depository for the Notes. DTC shall perform such functions according to the Blanket Issuer Letter of Representations on file with the Paying Agent. In the written acceptance by DTC of the Blanket Issuer Letter of Representations, DTC has agreed to take all actions necessary for all representations in the Blanket Issuer Letter of Representations with respect to DTC at all times to be complied with. In addition to the execution and delivery of the Blanket Issuer Letter of Representations, the District shall take any other actions, not inconsistent with this Resolution or any supplemental resolution, to qualify the Notes for the DTC book entry system. The provisions of this Section 10 shall not be applicable to Notes that are sold pursuant to a private placement sale in the event that the Private Placement Note Purchase Agreement applicable to such Notes does not provide for DTC to be depository for such Notes.

Section 11. Authorization of Investment Agreements and Guaranteed Investment Contracts. Notwithstanding anything to the contrary contained herein, the CFO may determine in the best interest of the District to direct that the proceeds of any series of the Notes and/or the moneys deposited in the Repayment Account be invested in one or more investment agreements and/or guaranteed investment contracts, provided, however, that the long term ratings of the provider of such agreement or contract, as of the date of execution and delivery of such agreement or contract, shall be at least "AA-" by S&P and "Aa2" by Moody's. In such event, the proceeds of the Notes, as well as any moneys deposited in the Repayment Account, will be held by the Fiscal Agent. The District shall not invest any proceeds of the Notes or moneys

deposited in the Repayment Account unless such investments shall mature or be redeemable in order to provide for timely payment of principal of and interest on the Notes when due.

Section 12. Further Actions Authorized. It is hereby covenanted that the District Board and its appropriate officials have duly taken all proceedings necessary to be taken and will take any additional proceedings necessary to be taken by them in accordance with the law and for carrying out the provisions of this Resolution.

Section 13. Recitals. All the recitals in this Resolution above are true and correct and this District Board so finds, determines and represents.

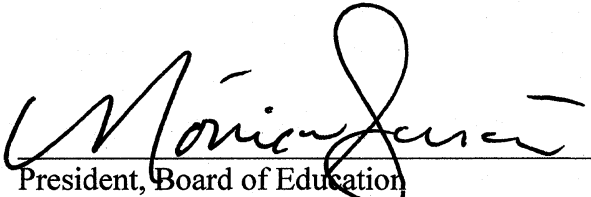
Section 14. Tax Covenants. The District covenants that it will make no use of the proceeds of the Notes or any other amounts that would cause the Notes to be "arbitrage bonds" under Section 148 of the Code; and, to that end, so long as any of the Notes are outstanding, the District and all of its officers having custody or control of such proceeds agree to comply with all requirements of said Section 148 and the Treasury Regulations promulgated thereunder, including restrictions on the use and investment of proceeds of the Notes and certain other amounts and the rebate of a portion of the investment earnings on certain amounts, including proceeds of the Notes, if required, to the federal government. The District further covenants to do and perform all acts and things within its power and authority necessary to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code. In furtherance of the covenants contained in this Section 14, the District agrees to comply with the Tax Certificate to be executed by the District on the date of issuance and delivery of each series of Notes (each, a "Tax Certificate"). The District covenants that it will take no action that would cause the interest on the Notes to be included in gross income for federal income tax purposes, nor will it refrain from taking action required to maintain the exclusion of interest on the Notes from gross income for federal income tax purposes.

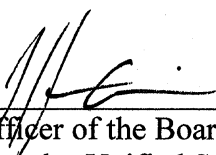
Section 15. Effectiveness. This Resolution shall become effective upon its adoption by the District Board.

Section 16. Transmittal of Resolution. The Executive Officer of this District Board is hereby directed to send an original certified copy of this Resolution to the County Board, the Treasurer and the County Superintendent of Schools.

PASSED AND ADOPTED by the Board of Education of the Los Angeles Unified School District this 10<sup>th</sup> day of April 2012, by the following vote:

AYES: 6  
NOES: 0  
ABSENT: 1

  
\_\_\_\_\_  
President, Board of Education  
Los Angeles Unified School District

  
\_\_\_\_\_  
Executive Officer of the Board of Education  
of the Los Angeles Unified School District

**EXHIBIT A**  
**FORM OF NOTE**

[Unless this Note is presented by an authorized representative of The Depository Trust Company, New York, New York ("DTC") to the issuer or its agent for registration of transfer, exchange or payment, and any note issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

**LOS ANGELES UNIFIED SCHOOL DISTRICT,  
2012-2013 TAX AND REVENUE ANTICIPATION NOTE  
SERIES \_\_\_\_\_**

Registered Owner: [CEDE & CO.]

CUSIP No.: \_\_\_\_\_

Maturity Date: \_\_\_\_\_, 201\_\_

Dated: \_\_\_\_\_, 201\_\_

Principal Sum: \$ \_\_\_\_\_

Interest Rate: \_\_\_\_\_%

FOR VALUE RECEIVED the Los Angeles Unified School District (the "District"), a school district organized and existing under the laws of the State of California, acknowledges itself indebted to and promises to pay the Registered Owner hereof the Principal Sum stated above in immediately available funds in lawful money of the United States of America, on the Maturity Date stated above, together with interest thereon at the Interest Rate per annum stated above in like lawful money of the United States of America from the date hereof until payment in full of said principal sum. Such interest shall be payable on or prior to the maturity date [or, in case of a term to maturity greater than one year, on the date that is one year from the date of issuance of this Note and on the maturity date]. Such interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Both the principal of and interest on this Note (as defined below) shall be payable only upon surrender of this Note as the same shall fall due; [provided, however, any interest due prior to maturity shall be payable on \_\_\_\_\_, 2013 to the person in whose name the note is registered on \_\_\_\_\_ 15, 2013 by wire or check mailed to such registered owner].

The principal of and interest to be paid at maturity on this Note shall be paid by check or by wire transfer payable to or upon the order of the registered owner hereof upon presentation and surrender of this Note at maturity at the principal office of the Treasurer and Tax Collector of the County of Los Angeles, as Paying Agent (the "Paying Agent," "Fiscal Agent" and "Authenticating Agent") at Los Angeles, California. No interest shall be payable for any period after maturity during which the holder hereof fails to properly present this Note for payment.

The District and the Paying Agent may deem and treat the holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and



interest due hereon and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

It is hereby certified, recited and declared that this Note is one of an authorized issue of Los Angeles Unified School District, 2012-2013 Tax and Revenue Anticipation Notes, Series \_\_\_\_ (the "Notes") in the aggregate principal amount of \$\_\_\_\_\_, all of like date, tenor and effect, made, executed and given pursuant to and by authority of a resolution of the Board of Supervisors of the County of Los Angeles (the "County Resolution") and a Resolution of the Board of Education of the District (the "District Resolution") under and by authority of Article 7.6 commencing with Section 53850 of Chapter 4, Part 1, Division 2, Title 5, of the Government Code of the State of California, and all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California. Every capitalized term used herein which is not defined herein shall have the same meanings as provided in the District Resolution and the County Resolution.

The principal amount of the Notes and any additional notes which may be issued, together with the interest thereon, shall be payable from taxes, income, revenues, cash receipts and other moneys that are received by the District during Fiscal Year 2012-2013, including, but not limited to, fiscal aid provided by the State and federal government and, if applicable, the proceeds of Refunding Notes. As security for the payment of the principal of and interest on the Notes and any additional notes which may be issued the District has pledged the amounts set forth in the District Resolution, County Resolution, and the [Negotiated Note Purchase Agreement/Private Placement Note Purchase Agreement/Notice of Sale] (pledged amounts being hereinafter called "Pledged Revenues"); and the principal of the Notes and any such additional notes and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the Pledged Revenues, and to the extent not so paid shall be paid from any other moneys of the District lawfully available therefor.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Authenticating Agent.

**IN WITNESS WHEREOF**, the County of Los Angeles has caused this Note to be executed by the Chairman of the Board of Supervisors, the Executive Officer-Clerk of the Board of Supervisors and the Treasurer and Tax Collector by their manual or facsimile signature this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

**COUNTY OF LOS ANGELES**

By: \_\_\_\_\_  
Chairman of the Board of Supervisors

(SEAL)

By: \_\_\_\_\_  
Executive Officer-Clerk of  
Board of Supervisors

By: \_\_\_\_\_  
Treasurer and Tax Collector

## **CERTIFICATE OF AUTHENTICATION**

This Note is one of the notes described in the within-mentioned County Resolution and is one of the Los Angeles Unified School District, 2012-2013 Tax and Revenue Anticipation Notes, Series \_\_\_\_.

**TREASURER AND TAX COLLECTOR OF  
THE COUNTY OF LOS ANGELES, as**  
Authenticating Agent

By: \_\_\_\_\_  
Name: Mark J. Saladino  
Title: Treasurer and Tax Collector

**EXHIBIT B**  
**FORM OF NOTICE OF SALE**

NOTICE OF SALE

\$ \_\_\_\_\_ \*

LOS ANGELES UNIFIED SCHOOL DISTRICT  
2012-2013 TAX AND REVENUE ANTICIPATION NOTES, SERIES \_\_\_\_

NOTICE IS HEREBY GIVEN that electronic unconditional bids will be received by the Treasurer and Tax Collector of Los Angeles County (the "Treasurer") to and including the hour of 9:00 a.m. Pacific Time, (unless extended in accordance with the Two-Minute Rule described under "Submission of Bids"), on [Pricing Date], as described below, for the purchase of \$ \_\_\_\_\_ \* principal amount of Los Angeles Unified School District 2012-2013 Tax and Revenue Anticipation Notes, Series \_\_\_\_ (the "Notes"). Bids may only be submitted electronically through [Grant Street Group's [MuniAuction] electronic bidding web site ("[MuniAuction]") at [www.muniauction.com](http://www.muniauction.com)] or such other electronic bidding provider as the District shall designate. No other method of submitting bids will be accepted.

Within 26 hours, the Treasurer in consultation with the Chief Financial Officer or her designee (the "CFO") or the Controller, Interim Controller or his designee (the "Controller") of the Los Angeles Unified School District (the "District"), will consider the bids received and, if acceptable bids are received, award the sale of the Notes on the basis of the lowest true interest cost of the bids, as described herein. In the event that no bid is awarded by the designated time, the County of Los Angeles (the "County") will reschedule the sale to another date and time by providing notification through the [Amendments Page of [MuniAuction]]. As an accommodation to bidders, telephonic or fax notice of the modifications will be given to any bidder requesting such notice by request directed to the District's Financial Advisor (the "Financial Advisor"), Tamalpais Advisors, Inc. – KNN Public Finance, A Joint Venture, Attention: Jean Buckley, telephone (415) 331-4473; fax (415) 331-4479. Failure of any bidder to receive such electronic, telephonic or facsimile notice shall not affect the legality of the sale.

The County reserves the right, prior to the date of the sale, to modify this Notice of Sale (this "Notice of Sale"), including changing the principal amount of Notes offered for sale, the time or date of the sale and such other changes as may be required. Any such modifications will be announced through [MuniAuction] not later than 24 hours prior to the date and time on which bids may be submitted. The County in consultation with the District, with prior notice, may withdraw the Notes for sale.

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\* Preliminary, subject to change.

## **TERMS OF THE NOTES**

### **Authority and Purpose**

The Notes will be issued pursuant to the provisions of Article 7.6 (commencing with section 53850) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code and the provision of a resolution of the Board of Supervisors of the County, dated May 15, 2012 (the "County Resolution"), and a resolution of the Board of Education of the District, dated April 10, 2012 (the "District Resolution").

The Notes are being issued for the purpose of providing operating cash for any purpose for which the District is authorized to use and expend moneys, including, but not limited to current expenses, capital expenditures, investment and reinvestment, and the discharge of any obligation or indebtedness of the District.

### **Preliminary Official Statement**

The terms of issuance, principal and interest repayment, redemption, security, tax exemption and all other information regarding the Notes and the District are given in the Preliminary Official Statement for the Notes, dated [May 25, 2012] (the "Preliminary Official Statement"). Such Preliminary Official Statement, together with any supplements thereto, is in form "deemed final" by the District for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final official statement (the "Official Statement"). The District will make available the Preliminary Official Statement, an electronic copy of which, along with related documents, will be furnished upon request made by telephone to the Financial Advisor, at (415) 331-4473. Each bidder must have obtained and reviewed the Preliminary Official Statement prior to bidding for the Notes. Bidders must read the entire Preliminary Official Statement to obtain information essential to the making of an informed decision to bid. This Notice of Sale contains certain information for quick reference only, is not a summary of the issue and governs only the terms of the sale of, bidding for and closing procedures with respect to the Notes.

### **Interest Rate and Interest Payment Date**

The interest rate to be borne by the Notes will be specified by the bidder in its bid and shall not exceed twelve percent (12.00%). Notes may bear different interest rates and bidders may submit bids for Notes with different interest rates. Interest will be payable at maturity calculated on the basis of a 360-day year of twelve 30-day months.

### **Date of the Notes and Maturity Date**

The Notes will be dated the dated of issuance thereof, which is expected to be July 2, 2012, and will mature on [Maturity Date].

### **No Redemption**

The Notes are **not** subject to redemption prior to maturity.

### **Payment**

The principal of and interest on the Notes is payable on [Maturity Date]. Principal of and interest on the Notes are payable in lawful money of the United States of America upon the surrender thereof at the offices of the Paying Agent, initially the Treasurer, in Los Angeles, California.

## **Registration**

The Notes will be issued only in fully registered book-entry form, registered in the name of “Cede & Co.,” as nominee of The Depository Trust Company, New York, New York. See the discussion of “Book-Entry System” in the Preliminary Official Statement.

## **Security**

The principal amount of the Notes and any Additional Notes (as defined the District Resolution and described under “ - Additional Notes” herein), together with the interest thereon, is payable from taxes, income, revenue, cash receipts, and other moneys of the District which are generally available for the payment of current expenses and other obligations of the District received by the District for the General Fund of the District during Fiscal Year 2012-2013 or accrued during Fiscal Year 2012-2013 (collectively, the “General Fund Revenues”), as provided in Section 53856 of the Act.

The principal amount of the Notes, together with the interest thereon, is payable from the General Fund Revenues. As security for the payment of the principal of and interest on the Notes, the District has agreed to set aside and deposit into the Repayment Account: (i) on \_\_\_\_\_, 20\_\_, an amount equal to \_\_\_% of the principal amount of the Notes from the General Fund Revenues received by the District on or before such date; and (ii) on \_\_\_\_\_, 20\_\_, an amount equal to \_\_\_% of the principal amount plus any deficiency in the amount that was required to be set aside and deposited in the Repayment Account on \_\_\_\_\_, 20\_\_ and 100% of the interest to be due on the Notes on the Maturity Date from the General Fund Revenues received by the District on or before such date (collectively, the “Pledged Revenues”). Pursuant to the District Resolution, the District has pledged such amounts, all of which constitute Pledged Revenues. The District shall request the Treasurer to deposit the Pledged Revenues on or before \_\_\_\_\_, 20, and \_\_\_\_\_, 20\_\_ (each a “Pledge Date”) with the Fiscal Agent (which shall be the Paying Agent) for deposit into the Repayment Account established under the County Resolution.

The principal of the Notes and any additional notes and the interest thereon shall be a first lien and charge against and shall be payable from the first moneys received by the District from such Pledged Revenues, as provided by law.

In the event that there are insufficient Pledged Revenues received by the District to permit the deposit of the full amount of Pledged Revenues to be deposited with respect to such Pledge Date, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the repayment of the Notes and any additional notes and the interest thereon, but only to the extent permitted by law. Neither the County nor the Board of Supervisors of the County has any liability to pay principal of or interest on the Notes and the Notes are payable solely from the funds of the District, as included in the Preliminary Official Statement. See “The Notes - Security and Sources of Payment for the Notes” in the Preliminary Official Statement.

## **Additional Notes**

The Resolutions authorize the issuance of tax and revenue anticipation notes, including the Notes, in an amount not to exceed \$1,500,000,000. The Notes are the initial series of notes to be issued pursuant to the Resolutions. The District does not expect to issue Additional Notes or Refunding Notes. Any such Additional Notes or Refunding Notes, if issued by the District, will mature and be payable subsequent to the maturity date of the Notes and the payment thereof. See “The Series \_\_ Notes - Additional Notes and Refunding Notes” in the Preliminary Official Statement.

## **Paying Agent**

The Treasurer has been appointed the paying agent for the payment of principal and interest and for the registration of the Notes and to hold the funds and accounts established pursuant to the County Resolution.

## **TERMS OF THE SALE**

### **Submission of Bids**

All bids must be submitted only on the [MuniAuction] website located at [[www.muniauction.com](http://www.muniauction.com)]. No other provider of internet bidding services and no other means of delivery (i.e. telephone, e-mail, facsimile or physical delivery) will be accepted. The auction for such Notes will end at 9:00 a.m., Pacific Time, on [Pricing Date]; provided, however, if any bid becomes a leading bid within two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such new leading bid is received by [MuniAuction] (the “Two-Minute Rule”). The auction end time will continue to be extended, indefinitely, until all leading bid(s) remain the leading bid(s) for at least (2) two minutes.

To bid via the [MuniAuction] website, bidders must have both (1) completed the registration form on the [MuniAuction] website by the deadline established by [MuniAuction], and (2) requested and received admission to the District’s auction, as described below. Only NASD registered broker-dealer and dealer banks with DTC clearing arrangements will be eligible to bid. The use of [MuniAuction] shall be at the bidder’s risk, and none of the District, the County, the Financial Advisor nor Hawkins Delafield & Wood LLP, Bond Counsel, shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate or untimely bid submitted by such bidder, including, without limitation, incomplete, inaccurate or untimely bids caused by reason of garbled transmissions, mechanical failure, slow or engaged telephone or telecommunications lines or any other cause. Neither the District nor the County is bound by any advice and determination of [MuniAuction] to the effect that any particular bid complies with the terms of this Notice of Sale. All costs and expenses incurred by prospective bidders in connection with their submission of bids through [MuniAuction] are the sole responsibility of the bidders, and neither the District nor the County is responsible for any of such costs or expenses. See “ - Information Regarding Bids” herein.

The [“Rules of MuniAuction”] can be viewed on the [MuniAuction] website and are made a part hereof. Bidders must comply with the [Rules of MuniAuction] in addition to the requirements of this Notice of Sale. In the event the [Rules of MuniAuction] conflict with this Notice of Sale, this Notice of Sale shall control.

For purposes of the Internet bidding process, the time as displayed on the [MuniAuction] Auction Page shall constitute the official time. All bids shall be deemed to incorporate the provisions of this Notice of Sale.

Further information about [MuniAuction], including registration requirements, may be obtained from [Grant Street Group, the parent of MuniAuction, at (412) 391-5555, ext. 370 (auction support)].

THE USE OF [MUNIAUCTION] SHALL BE AT THE BIDDER’S RISK AND EXPENSE, AND NEITHER THE DISTRICT, THE BOARD OF EDUCATION OF THE DISTRICT, THE COUNTY, THE BOARD OF SUPERVISORS OF THE COUNTY, THE FINANCIAL ADVISOR (AS DEFINED HEREIN), BOND COUNSEL (AS DEFINED HEREIN), NOR SPECIAL TAX COUNSEL



(AS DEFINED HEREIN) SHALL HAVE ANY LIABILITY WHATSOEVER WITH RESPECT THERETO.

### **Information Regarding Bids**

Bidders are required to submit unconditional bids specifying the rate of interest and premium, if any, at which the bidder will purchase all or any portion of the Notes. Each interest rate must be a multiple of 1/20th of one percent or 1/8th of one percent. No bid for less than \$5,000,000 principal amount of the Notes will be entertained, and all bids must be in multiples of \$1,000,000. The interest rate to be borne by the Notes shall not exceed twelve percent (12.00%). The Notes may bear different interest rates and bidders may submit bids for Notes with different interest rates. No "all or none" bids will be accepted. Bidders shall specify (i) the principal amount of Notes to be purchased pursuant to such bid, (ii) the interest rate to be borne by the Notes, (iii) the amount of premium, if any, that they will pay, in addition to the principal amount, to purchase the Notes, and (iv) the total purchase price, which price shall not be less than the principal amount of the Notes for which they have bid. No bid to purchase the Notes at a price less than par will be accepted. Separate bids to purchase any part of the Notes may be contained in the same electronic bid as a convenience to the bidder. If more than one electronic bid is submitted by the same bidder for any part of the Notes, each such bid shall be considered as a separate proposal for purchase of such part and no such bid for less than \$5,000,000 principal amount of the Notes shall be entertained. Bidders may change and submit bids as many times as they wish during the auction, provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower TIC when compared to the immediately preceding bid of such bidder. During the bidding, no bidder will see any other bidder's bid, but each bidder will be able to see whether its bid(s) are "in the money" or "out of the money". All bids must be made in accordance with the requirements prescribed herein and the [Rules of MuniAuction], as referenced herein. Each bid submitted through [MuniAuction] shall be deemed an irrevocable offer to purchase all or that portion of the Notes specified in the bid on the terms provided in this Notice of Sale, and shall be binding upon the bidder.

### **Award and Delivery**

Unless all bids are rejected, the Treasurer, in consultation with the CFO or Controller, will award the Notes to the qualified bidder or combination of bidders offering the lowest true interest cost ("TIC") to the District for the principal amount of Notes to be awarded considering the interest rate specified, and the premium, if any. The TIC will be the nominal annual discount rate which, when compounded semi-annually and used to discount the debt service on the Notes to the maturity date, calculated using the interest rate specified in the bid, results in an amount equal to the principal amount of the Notes and the premium, if any, specified in the bid. The Treasurer will not award any bid with a TIC in excess of 6.00% for the Notes. In awarding the Notes, the Treasurer, in consultation with the CFO or Controller, may accept a bid in a principal amount less than the principal amount bid (including a principal amount less than \$5,000,000) in order that the total amount of bids accepted equals the amount of Notes to be issued. In the event of an award by the County for a principal amount less than the principal amount the bidder submitted, any premium bid shall be ratably reduced. If two or more bids have the same TIC, the first bid submitted, as determined by reference to the time displayed on [MuniAuction], shall be deemed to be the leading bid. Delivery of the Notes will be made to the purchaser through DTC on or about July 2, 2012 (the "Closing"), upon payment in immediately available funds to the Treasurer.

### **Principal Amounts Subject to Change after Receipt of Bids**

The District reserves the right, following the receipt of bids and determination of the winning bid or bids, to change the total principal amount of the Notes awarded based upon the interest rates and premiums submitted by the successful bidders. The successful bidders will be notified of the

modification to the principal amount, at the time of the award. A successful bidder may not withdraw its bid or change the interest rates bid or reject the Notes as a result of any changes made to the principal amount of the Notes. The average spread bid by the successful bidder will not be changed as a result of any principal adjustments.

### **No Good Faith Deposit**

No good faith deposit is required to be submitted with bids.

### **Verification**

All bids are subject to verification and approval by the County and the District. The County and the District shall have the right to deem each final bid reported on the [MuniAuction] Observation Page immediately after the deadline for receipt of bids to be accurate and binding on the bidder. Information or calculations provided by [MuniAuction] other than the information required to be provided by the bidder in accordance with this Notice of Sale is for informational purposes only and shall not be binding on any of the bidder, the County and the District.

### **Right of Rejection; Cancellation; Withdrawal of Notes for Sale**

The Treasurer in consultation with the CFO or Controller reserves the right in his discretion to reject any and all bids received and to waive any irregularity or informality in the bids, except that the time for receiving bids shall be of the essence. The successful bidder(s) shall have the right, at each of their option, to cancel the contract of purchase if the District shall fail to tender the Notes for delivery within 60 days from the date of sale thereof. The County may in consultation with the District, with prior notice, withdraw the Notes for sale.

### **Prompt Award**

The Treasurer, or the designee of such officer, will take action awarding Notes or rejecting all bids not later than 26 hours after the expiration of the time herein prescribed for the receipt of bids, unless such time of award is waived by the respective successful bidders.

### **Confirmation of Bids**

The successful bidder for the Notes must deliver a certificate confirming the terms of its bid to the County within one hour after the bidding deadline. The certificate shall be sent by facsimile transmission to Tamalpais Advisors, Inc. – KNN Public Finance, A Joint Venture, Attention: Jean Buckley, telephone (415) 331-4473; fax (415) 331-4479.

## **OTHER TERMS AND CLOSING PROCEDURES**

### **CUSIP, CDIAC and Other Expenses of the Successful Bidders**

CUSIP numbers will be applied for by the purchasers and will be printed on the executed Notes, but the District will assume no obligation for the assignment or printing of such numbers on said Notes or for the correctness of such numbers, and neither the failure to print such numbers on said Notes nor any error with respect thereto shall constitute cause for a failure or refusal by the purchasers thereof to accept delivery of and make payment for said Notes. The cost for the assignment of a CUSIP number to the Notes will be the responsibility of the successful bidder.

In addition, the successful bidders will be required, pursuant to State law, to pay all fees due to the California Debt and Investment Advisory Commission (“CDIAC”). CDIAC will separately invoice the successful bidders for Notes. Successful bidders will also be responsible for payment other fees incurred in connection with the issuance of the Notes, including fees of DTC, the Municipal Securities Rulemaking Board, Securities Industry and Financial Markets Association and similar underwriting fees and charges, if any.

## **Legal Opinions**

The Notes are sold with the understanding that the purchasers will be furnished with the approving opinions of Hawkins Delafield & Wood LLP (“Bond Counsel”) and Sidley Austin LLP (“Special Tax Counsel”), the forms of which are included in the Preliminary Official Statement and will be included in the final Official Statement. Said attorneys have been retained by the District as Bond Counsel and Special Tax Counsel, respectively, and in such capacity Bond Counsel is to render its opinion to the District upon the legality of the Notes under California law and Special Tax Counsel is to render its opinion to the District on the exclusion from gross income of the interest on the Notes for purposes of federal and State of California income taxes. The fees and expenses of Bond Counsel and Special Tax Counsel will be paid from the proceeds of the Notes.

## **Tax Status**

[In the opinion of Special Tax Counsel to the District, under current law and assuming compliance with certain covenants in the documents pertaining to the Notes and requirements of the Internal Revenue Code of 1986, as amended, as described herein, interest on the Notes is not includable in the gross income of the owners of such Notes for federal income tax purposes. In the opinion of Special Tax Counsel, under current law, interest on the Notes is exempt from personal income taxes imposed by the State of California.] See “Tax Matters” in the Preliminary Official Statement.

## **Certificate Regarding Issue Price of the Notes**

As soon as practicable, but not later than one day prior to delivery of the Notes, the successful bidders for the Notes must submit to the District a certificate regarding the issue price of the Note in the form attached hereto as Exhibit A, which certificate shall be in form and substance satisfactory to Special Tax Counsel and shall include such additional information as may be requested by Special Tax Counsel.

## **Closing Certificates**

At Closing the District will deliver certificates stating that (i) an Authorized Officer has reviewed the Official Statement and on such basis certifies that it does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading, and (ii) to the best knowledge of such official, no litigation is pending (with service of process having been accomplished) or threatened (either in State of California or federal courts) against the District: (a) seeking to restrain or enjoin the execution, sale or delivery of any of the Notes, (b) in any way contesting or affecting the authority for the execution, sale or delivery of the Notes, or (c) in any way contesting the existence or powers of the District.

## **Continuing Disclosure**

In order to assist bidders in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the District will undertake, pursuant to a Disclosure Certificate, to provide notices of

the occurrence of Listed Events (as defined in the Disclosure Certificate). A form of the Disclosure Certificate is included in the Preliminary Official Statement and will also be included in the final Official Statement.

### **Right to Modify or Amend**

The County in consultation with the District reserves the right to modify or amend this Notice of Sale in any respect; provided, however, that any such modification or amendment shall be communicated to potential bidders through [MuniAuction] as described herein.

### **Withdrawal of Notes for Sale**

The County may in consultation with the District, with prior notice, withdraw the Notes for sale.

### **Official Statement**

Within seven business days after the date of award of the Notes, and in any event no later than one business day prior to Closing, up to 25 copies of the final Official Statement per \$50 million principal amount of Notes will be supplied to each purchaser at the expense of the District.

GIVEN pursuant to resolutions of the Board of Supervisors of the County of Los Angeles and the Board of Education of the Los Angeles Unified School District.

Dated: \_\_\_\_\_, 2012

COUNTY OF LOS ANGELES

By: \_\_\_\_\_

Mark J. Saladino  
Treasurer and Tax Collector

## EXHIBIT A

### Form of Certificate as to Issue Price of the Notes

\$ \_\_\_\_\_

**LOS ANGELES UNIFIED SCHOOL DISTRICT  
(COUNTY OF LOS ANGELES, CALIFORNIA)  
2012-2013 TAX AND REVENUE ANTICIPATION NOTES, SERIES A**

### CERTIFICATE AS TO ISSUE PRICE OF PORTION OF NOTES

This Certificate is furnished by \_\_\_\_\_, as Original Purchaser (the "Original Purchaser") of \$ \_\_\_\_\_ principal amount of the \$ \_\_\_\_\_ aggregate principal amount of Los Angeles Unified School District (County of Los Angeles, California) 2012-2013 Tax and Revenue Anticipation Notes, Series A (the "Notes"), to establish the initial offering price of said portion of the Notes for purposes of determining the "issue price" of the Notes within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the "Code").

THE ORIGINAL PURCHASER DOES HEREBY CERTIFY as follows:

1. The Original Purchaser reasonably expected on June \_\_, 2012, which is the date on which the Original Purchaser agreed to purchase such Notes (the "Sale Date"), that all of the Notes purchased by the Original Purchaser would be sold to the general public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) at an initial offering price of \_\_\_\_\_% of the principal amount thereof (the "Initial Public Offering Price").
2. The Original Purchaser has made a bona fide offering of all of the Notes purchased by the Original Purchaser to the general public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not in excess of the Initial Public Offering Price. The Initial Public Offering Price is equal to \$ \_\_\_\_\_ (representing \$ \_\_\_\_\_ aggregate principal amount of the Notes, plus original issue premium of \$ \_\_\_\_\_).
3. The Original Purchaser first sold for cash as of the Sale Date at least ten percent of the aggregate principal amount of the Notes purchased by the Original Purchaser to the general public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not in excess of the Initial Public Offering Price.
4. The Initial Public Offering Price does not exceed the fair market value of the Notes as of the Sale Date.

Dated: July \_\_, 2012

\_\_\_\_\_, as Original Purchaser

By:  
Name:  
Title:

**EXHIBIT C**

**FORM OF NEGOTIATED NOTE PURCHASE AGREEMENT**

[Principal Amount]  
**LOS ANGELES UNIFIED SCHOOL DISTRICT**  
(County of Los Angeles, California)  
**2012-2013 Tax and Revenue Anticipation Notes, Series A**

**NOTE PURCHASE AGREEMENT**

[Pricing Date]

County of Los Angeles  
437 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Los Angeles Unified School District  
c/o Office of the Chief Financial Officer  
333 South Beaudry Avenue  
Los Angeles, California 90071

Ladies and Gentlemen:

The undersigned, [Underwriter], as Representative (the “*Representative*”) of the underwriters named in Exhibit A hereto (collectively, the “*Underwriters*”), offers to enter into this Note Purchase Agreement (“*Note Purchase Agreement*”) with the County of Los Angeles (the “*County*”) and the Los Angeles Unified School District, County of Los Angeles, a public school district organized and existing under the laws of the State of California (the “*District*”). This offer is made subject to written acceptance by the County and the District prior to 11:59 p.m., California Time, on the date hereof, and, upon such acceptance, this Note Purchase Agreement will be binding upon the County, the District and the Underwriters. All terms not defined herein shall have the meanings set forth in the Official Statement (hereinafter defined).

**Section 1. Purchase and Sale of the Notes.** (A) The District is issuing its 2012-2013 Tax and Revenue Anticipation Notes, Series A in the principal amount of [Principal Amount] (the “*Notes*”), dated their date of delivery, maturing on [Maturity Date] (the “*Maturity Date*”) with interest payable at maturity and principal payable on the Maturity Date. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters hereby agree to purchase from the County in the name and on behalf of the District for reoffering to the public, and the County and the District hereby agree to sell to the Underwriters for such purpose, the Notes. The purchase price (the “*Purchase Price*”) to be paid by the Underwriters for the Notes shall be \$\_\_\_\_\_ (which consists of said principal



amount of [Principal Amount], plus a premium of \$\_\_\_\_\_, less an Underwriters' discount of \$\_\_\_\_\_).

(B) Upon the written acceptance of this Note Purchase Agreement by the County and the District, the Representative, on behalf of the Underwriters, shall deliver, within twenty-four (24) hours of such acceptance, by federal funds wire transfer (to the County's account at a bank having an office located in the State of California and having a demand account relationship with the County and payable in immediately available funds), for the account of the District, the amount of one million dollars (\$1,000,000), as a good-faith deposit ("*Good Faith Deposit*") for the performance by the Underwriters of their obligations to accept and pay for the Notes at Closing (hereinafter defined) in accordance with the provisions of this Note Purchase Agreement. Upon receipt of the Good Faith Deposit, such amount shall be held by the County pending Closing (except as provided below), although the proceeds thereof may be invested by the County and the District pending the Closing. At the Closing, the Underwriters shall pay or cause to be paid the Purchase Price of the Notes, less the amount of such Good Faith Deposit, without accrued interest, and thereupon the County and the District shall apply the amount of the Good Faith Deposit, to the payment of the balance of such Purchase Price. In the event of the District's inability to deliver the Notes at the Closing, or if the District or the County is unable to satisfy the conditions to the Underwriters' obligations contained herein (unless such conditions are waived by the Representative), or if the Underwriters' obligations shall be terminated for any reason permitted hereby, the County shall forthwith return the amount of the Good Faith Deposit, without accrued interest, to the Representative immediately and such return shall constitute a full release and discharge of all claims by the Underwriters against the County and the District arising out of the transactions contemplated by this Note Purchase Agreement (except for the respective obligations of the parties set forth in Section 15 herein). In the event that the Underwriters fail (other than for a reason permitted hereby) to accept and pay for the Notes at the Closing as herein provided, the proceeds of the Good Faith Deposit, shall be retained and applied by the County and the District in full as complete liquidated damages (and not as a penalty) for such failure and as a discharge of all damages suffered on the part of the County and the District as a result of such failure.

**Section 2. The Notes.** The Notes shall be dated their date of delivery (the "*Issue Date*"), shall mature on the Maturity Date, and shall bear interest at a rate of \_\_\_\_ percent (\_\_\_\_%) per annum payable on the Maturity Date. The Notes shall be as described in and shall be issued and secured pursuant to the provisions of the resolution of the Board of Supervisors of the County of Los Angeles, adopted on May 15, 2012 (the "*County Resolution*") and pursuant to a Resolution of the Board of Education of the District adopted on April 10, 2012 (the "*District Resolution*" and, together with the County Resolution, the "*Resolutions*"), and Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the California Government Code (the "*Act*"). The Notes shall be registered in the name of "Cede & Co." and delivered through the facilities of The Depository Trust Company ("*DTC*") in New York, New York.

**Section 3. Use of Documents.** The District hereby authorizes the Underwriters to use, in connection with the offer and sale of the Notes, a preliminary official statement and an official statement, in forms jointly acceptable to the District and the Representative, this Note

Purchase Agreement, the Resolutions and all information contained herein and therein and all other documents, certificates or statements furnished by the District to the Underwriters in connection with the transactions contemplated by this Note Purchase Agreement.

The District hereby ratifies, approves and confirms the use and distribution of the preliminary official statement of the District with respect to the Notes, dated [POS Date] (the “*Preliminary Official Statement*”), in connection with the public offering and sale of the Notes by the Underwriters. The District represents that it has deemed the Preliminary Official Statement to be final as of its date, except for either revisions to or additions of the initial public offering prices, interest rates, yields to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, ratings, credit enhancement and other terms of the Notes which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (“*Rule 15c2-12*”).

The Underwriters agree that prior to the time the final official statement (the “*Official Statement*”) relating to the Notes is available, the Underwriters will make available to any potential purchaser of the Notes, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) or electronic copy posted on an accessible website not later than the next business day following the date upon which each such request is received.

The Underwriters agree to file the Official Statement with the Municipal Securities Rulemaking Board (the “*MSRB*”) via its Electronic Municipal Market Access (“*EMMA*”) system no later than the Issue Date.

References herein to the Preliminary Official Statement and the Official Statement include the cover page through all appendices, exhibits, maps, reports and statements included therein or attached thereto and any documents incorporated therein by reference and any supplements or amendments thereto.

The District hereby agrees to cause to be delivered to the Underwriters within seven (7) business days of the date hereof, up to but not more than five hundred (500) copies of the Official Statement for distribution. The District hereby authorizes and approves the distribution by the Underwriters of the Official Statement in connection with the public offering and sale of the Notes. The District hereby approves of the use and distribution by the Underwriters of the Official Statement in connection with the public offering and sale of the Notes. The Underwriters agree that they will not confirm the sale of any Notes unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Official Statement.

**Section 4. Public Offering of the Notes.** The Underwriters agree to make a bona fide public offering of the Notes. The Underwriters reserve the right to change such public offering price or yield as they deem necessary in connection with the marketing of the Notes and to over-allot or effect transactions that stabilize or maintain the market prices of the Notes at levels above those that might otherwise prevail in the open market and discontinue such stabilizing, if commenced, at any time.

**Section 5. Closing.** At 8:00 a.m., California Time, on July 2, 2012, or such other time and on such other date as shall have been mutually agreed upon by the District and the Representative (the “*Closing*” or the “*Closing Date*”), the County will deliver to the Underwriters through the facilities of DTC, the Notes, duly executed, and in fully registered, book-entry form and will cause the documents, certificates, and opinions hereinafter mentioned pertaining to the Notes to be delivered at the offices of Hawkins Delafield & Wood LLP (“*Bond Counsel*”) in Los Angeles, California or at such other places as shall have been mutually agreed upon by the parties hereto, and other documents hereinafter mentioned, and the Underwriters will accept such delivery and pay the Purchase Price thereof in immediately available funds to the County.

**Section 6. Representations, Warranties and Covenants of the District.** The District hereby represents and warrants to and covenants with the Underwriters that:

(A) The District is a public school district of the State of California (the “*State*”) organized and operating under the laws thereof, and has all requisite power and authority to execute, deliver and perform all of its obligations under this Note Purchase Agreement and the Resolutions.

(B) (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and the delivery of the Notes; (ii) the District has full legal right, power and authority to enter into this Note Purchase Agreement, to execute the Disclosure Certificate (hereinafter defined) and to adopt the District Resolution and to perform its obligations under each such document or instrument (collectively, the “*District Documents*”), and to carry out and effectuate the transactions contemplated by the District Documents; (iii) the execution and delivery of or adoption of, and the performance by the District of the obligations contained in, the District Documents have been duly authorized and such authorization shall be in full force and effect at the time of Closing; (iv) each of the District Documents, when executed, will constitute a valid and legally binding obligation of the District enforceable against the District in accordance with its terms except that enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws for the protection of debtors in effect, to the application of general principles of equity if equitable remedies are sought and to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against school districts in the State of California; (v) the District has duly authorized the consummation by it of all transactions contemplated by the District Documents; and (vi) by all necessary official action the District has authorized and approved the Preliminary Official Statement and the Official Statement and the distribution thereof by the Underwriters.

(C) No consent, approval, authorization, license, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required for the consummation of the transactions contemplated herein or hereby, except for such actions as have been taken or as may be necessary to be taken to qualify the Notes for offer and sale under the so-called

“Blue Sky” or other securities laws and regulations of such states and jurisdictions of the United States of America as the Underwriters may reasonably request.

(D) All Notes will be issued only under and within the limits of the Act, and, as such, are general obligations of the District, but payable only out of certain taxes, income, revenue, cash receipts and other moneys to be received by the District during fiscal year 2012-2013 or accrued during fiscal year 2012-2013 and legally available for the payment thereof (the “*2012-2013 Revenues*”). Under the Resolutions, certain moneys are pledged to payment of the Notes and any additional notes authorized and issued pursuant to the County Resolution (the “*Pledged Revenues*”) and such pledge constitutes a first lien or charge against the Pledged Revenues.

(E) To the best knowledge of the District, the issuance of the Notes, the execution, delivery and performance of the District Documents and the Notes and the approval of the Official Statement and compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the District a violation of, or material default under, the Constitution of the State or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a material default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(F) Other than as described in the Official Statement, as of the time of acceptance hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before any court, government agency or public body, pending (in which service of process has been completed against the District), or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices of the District or the entitlement of the officials of the District to such offices; (ii) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendments or supplements thereto; (iii) seeking to restrain, prohibit or enjoin the sale, issuance or delivery of any of the Notes, the application of the proceeds of the sale of the Notes or the collection of revenues or assets of the District pledged or to be pledged or available to pay the principal of and interest on the Notes, or the pledge thereof, or in any way contesting the powers of the District or its authority with respect to the Notes, the County Resolution or this Note Purchase Agreement or in any way contesting or affecting the validity or enforceability of the Notes; or (iv) in which a final adverse decision could (a) materially adversely affect the consummation of the transactions contemplated by this Note Purchase Agreement, (b) declare this Note Purchase Agreement to be invalid or unenforceable in whole or in material part, (c) in which a final adverse decision could materially adversely affect the operations or financial condition of the District or materially impair the District’s ability to meet its obligations under the Notes or the District Documents, (d) adversely affect the exclusion from gross income of the interest paid on the Notes for purposes of federal income taxation, or (e) adversely affect the exemption from gross income of the interest paid on the Notes for purposes of State income taxation.

(G) The audited financial statements of the District for the fiscal year ended June 30, 2011 (selected information from which is included as Appendix C to the Preliminary Official Statement and the Official Statement) were prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial position and results of operation of the District for the period and at the date set forth therein, and there has been no material adverse change in the business, affairs, financial position, results of operations or condition, financial or otherwise, of the District since the date of such financial statements, except as otherwise disclosed in the Official Statement.

(H) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(I) As of the date thereof, and at all times subsequent thereto up to and including the Closing, the information relating to the District contained in the Official Statement (including all of its appendices and attachments) as amended or supplemented, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including the date of the Closing, and the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District agrees that if at any time before the Closing any event occurs as a result of which the Official Statement as of its date would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which such statements were made, not misleading, the District shall promptly prepare or cause to be prepared and furnish (at the expense of the District) an amendment or supplement that will correct such statement or omission. The District will advise the Representative promptly of any proposal to so amend or supplement the Official Statement and will effect such amendment or supplement in a form and manner approved by the Representative.

(J) Between the date hereof and the Closing, without the prior written consent of the Representative, the District will not have issued and will not have requested the County to issue, any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Preliminary Official Statement and the Official Statement.

(K) The District covenants that it will take any and all action and will cause any and all action to be taken in order to ensure compliance with the provisions contained in the tax and non-arbitrage certificate described in Section 12(E)(x) hereof.

(L) To assist the Underwriters in complying with Rule 15c2-12, the District will undertake, pursuant to the District Resolution and the Disclosure Certificate (as

defined herein), to provide notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will be set forth in the Official Statement. Except as disclosed in the Preliminary Official Statement and the Official Statement, the District has never failed to comply with any prior disclosure undertakings pursuant to Rule 15c2-12.

(M) Preparation and distribution of the Preliminary Official Statement and the Official Statement pertaining to the Notes has been duly authorized by the District, and the statements and information contained in the Preliminary Official Statement were, as of the date thereof, and are, as of the date hereof (excluding any information permitted to be omitted pursuant to Rule 15c2-12 and the statements and information in Appendix D – “Book-Entry Only System” and any information provided by the Underwriters for inclusion in the Preliminary Official Statement), and the statements and information contained in the Official Statement (excluding the statements and information in Appendix D – “Book-Entry Only System” and any information provided by the Underwriters for inclusion in the Official Statement) will be, as of the Closing Date and the date which is 25 days following the end of the “underwriting period” (as defined in Rule 15c2-12), true and correct in all material respects and such statements and information did not, do not and will not, as applicable, contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(N) Any certificates signed by any official of the District and delivered to the Underwriters shall be deemed a representation and warranty by the District to the Underwriters, but not by the person signing the same in such person’s individual capacity, as to the statements made therein.

**Section 7. Representations, Warranties and Covenants of the County.** The County hereby represents and warrants to and covenants with the Underwriters that:

(A) The County is a political subdivision of the State validly existing under the Constitution and laws of the State, with the right and power to (i) execute, deliver and perform its obligations under this Note Purchase Agreement and the County Resolution and (ii) execute and deliver the Notes.

(B) (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the execution and delivery of the Notes; (ii) the County has full legal right, power and authority to enter into this Note Purchase Agreement, to adopt the County Resolution, to execute and deliver the Notes to the Underwriters on behalf of the District and to perform its obligations under each such document or instrument (collectively, the “*County Documents*”) and to effectuate transactions contemplated by the County Documents; (iii) the execution and delivery or adoption of, and the performance by the County of its obligations contained in the Notes, the County Resolution and this Note Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; and (iv) this

Note Purchase Agreement constitutes a valid and legally binding obligation of the County, enforceable against the County in accordance with its terms.

(C) No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Notes or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as have been taken or as may be necessary to be taken to qualify the Notes for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States of America as the Underwriters may reasonably request.

(D) The execution and delivery of the Notes, the execution, delivery and performance of this Note Purchase Agreement, the performance of the County's obligations under the County Resolution and compliance with the provisions hereof and thereof by the County, as appropriate, do not and will not, in any material respect, conflict with or constitute on the part of the County a breach of, or a default under, the Constitution of the State, any existing law, charter, ordinance, regulation, court decree or order, resolution or any agreement, indenture, mortgage, lease or other instrument, to which the County is subject or by which it is bound.

(E) All authorizations, consents or approvals of, or filings or registrations, if any, with, any governmental authority or court necessary for the valid execution and delivery by the County of the Notes will have been duly obtained or made prior to the execution and delivery of the Notes (and disclosed to the Underwriters); *provided, however,* that no representation is made by the County as to compliance with federal or state Blue Sky or similar securities laws of any state in connection with the offering, sale or issuance of the Notes. As used herein, the term "governmental authority" refers to any legislative body or governmental official, department, commission, board, bureau, agency, instrumentality, body or public benefit corporation.

(F) To the best knowledge of the County as of the time of acceptance hereof, no action, suit, proceeding or investigation is pending or threatened against the County in any court or before any governmental authority seeking to restrain or enjoin the execution or delivery of any of the Notes or in any way contesting or affecting the validity of the County Resolution, the Notes, this Note Purchase Agreement, or the receipt or application of the revenues pledged to pay the Notes or the payment of principal of and interest on the Notes, or contesting the powers of the County to execute and deliver the Notes.

(G) Between the date hereof and the Closing, without the prior written consent of the Representative, the County will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement.

(H) Any certificates signed by any officer of the County and delivered to the Underwriters shall be deemed a representation and warranty by the County to the Underwriters, but not by the person signing the same in such person's individual capacity, as to the statements made therein.

**Section 8. Covenants of the County and the District.** The County and the District covenant and agree with the Underwriters that:

(A) The District will punctually pay or cause to be paid the principal of and interest on the Notes in strict conformity with the terms of the Resolutions and the Notes and it will faithfully observe and perform all of the conditions, covenants and requirements of the Notes and the Resolutions. The District will cause the Pledged Revenues to be deposited in the Los Angeles Unified School District, 2012-2013 Tax and Revenue Anticipation Notes Repayment Account (as defined in the County Resolution) in (i) an amount equal to \_\_\_\_ percent (\_\_\_\_%) of the principal amount of the Notes on or before \_\_\_\_\_, 2013, and (ii) an amount equal to \_\_\_\_ percent (\_\_\_\_%) of the principal amount, plus any deficiency in the amount that was required to be set aside and deposited on or before \_\_\_\_\_, 2013, and one hundred percent (100%) of the interest to be due on the Notes on or before \_\_\_\_\_, 2013.

(B) With the exception of the Notes and any additional notes authorized under the County Resolution, the District will not incur any indebtedness for money borrowed that may or must be repaid from the 2012-2013 Revenues except to the extent that such other indebtedness will not be secured by a pledge of the Pledged Revenues (as defined in the County Resolution) that ranks prior to or on a parity with the pledge thereof created by the County Resolution.

(C) The County and the District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriters if and as the Underwriters may reasonably request in order to qualify the Notes for offer and sale under the Blue Sky or other securities laws and regulations or such states and jurisdictions, *provided, however*, that the District and the County shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof.

(D) The District will apply the proceeds from the sale of the Notes for the purposes specified in the Resolutions.

(E) The District will not cause modification or amendment of the Resolutions without the prior consent of the Representative.

(F) The District hereby agrees to deliver or cause to be delivered (and the County agrees to cooperate with the District in connection with such delivery) to the Underwriters, not later than the earlier of (i) the third (3rd) business day preceding the Closing Date or (ii) the seventh (7th) business day following the date this Note Purchase Agreement is signed, printed copies of an Official Statement substantially in the form of



the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriters, the County and the District in such reasonable quantity (but not more than five hundred (500)) as may be requested by the Underwriters in order to permit the Underwriters to comply with paragraph (b)(4) of Rule 15c2-12 and with the rules of the MSRB.

(G) The District hereby agrees to notify the Representative of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is twenty-five (25) days following the Closing.

(H) If at any time prior to the expiration of 25 days following the “end of the underwriting period,” any event known to the District or the County relating to or affecting the District, the County or the Notes occurs which might cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which such statements were made, not misleading, the District or the County will promptly notify the Underwriters in writing of the circumstances and details of such event. If, as a result of such event or any other event, it is necessary, in the reasonable opinion of Hawkins Delafield & Wood LLP, Disclosure Counsel to the District (“*Disclosure Counsel*”), or the Representative, to amend or supplement the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and either shall have so advised the District, the District and the County will forthwith cooperate with the Representative in the prompt preparation and furnishing to the Underwriters, at the expense of the District, of a reasonable number of copies of an amendment of or a supplement to the Official Statement, in form and substance satisfactory to the Representative, which will so amend or supplement the Official Statement so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District and the County will presume that unless otherwise notified in writing by the Representative, the end of the underwriting period will occur on the date of delivery of the Notes.

(I) To assist the Underwriters in complying with Rule 15c2-12 and for the benefit of the holders and beneficial owners of the Notes, the District will undertake to provide notices of certain events pursuant to a disclosure certificate dated the date of Closing (the “*Disclosure Certificate*”).

**Section 9. Representations and Agreements of the Underwriters.** The Underwriters represent to and agree with the District and the County that, as of the date hereof and as of the date of Closing:

(A) The Representative is duly authorized and has been duly authorized by the Underwriters to execute this Note Purchase Agreement, to act hereunder on behalf of the

Underwriters and to take any action under this Note Purchase Agreement required to be taken by the Underwriters; and

**Section 10. Division of Responsibility Between the District and the County.** It is specifically acknowledged and agreed by and between the District and the County that the County shall have no responsibility or liability to ensure or provide compliance with those provisions of this Note Purchase Agreement which are to be performed solely by the District and the District shall have no responsibility or liability to ensure or provide compliance with those provisions of this Note Purchase Agreement which are to be performed solely by the County.

**Section 11. Conditions to Obligations of Underwriters at Closing.** The Underwriters have entered into this Note Purchase Agreement in reliance upon the representations and warranties of the County and the District contained herein and the performance by the County and the District of their respective obligations hereunder, both as of the date hereof and as of the Closing. The obligation of the Underwriters to purchase the Notes at the Closing is and shall be subject to the following further conditions, any of which may be waived by the Representative in writing:

(A) The representations and warranties of the County and the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriters at the Closing and otherwise pursuant hereto shall be true, complete and correct in all material respects at and as of the Closing; and the District and the County shall be in compliance with each of the respective agreements made by them in this Note Purchase Agreement;

(B) At and as of the Closing (i) the Official Statement, this Note Purchase Agreement, the District Resolution and the County Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Representative; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; (iii) the District and the County shall have adopted, and there shall be in full force and effect such additional resolutions, agreements, opinions and certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to establish the tax-exempt character of the interest on the Notes), which resolutions, agreements, opinions and certificates shall be satisfactory in form and substance to Bond Counsel to the District and to the Representative, and there shall have been taken in connection therewith and in connection with the execution and delivery of the Notes all such actions as shall, in the reasonable opinion of each, be necessary in connection with the transactions contemplated hereby; (iv) all actions under the Resolutions which, in the opinion of Bond Counsel to the District, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force

and effect; (v) the Notes shall have been duly authorized, executed and delivered; and (vi) the District and the County shall perform or have performed all of their respective obligations required under or specified in this Note Purchase Agreement or the Resolutions to be performed at or prior to the Closing;

(C) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government authority or public body, pending or threatened against the District which has any of the effects described in paragraph (F) of Section 6 hereof or contesting in any way the completeness or accuracy of the Official Statement;

(D) No order, decree or injunction of any court of competent jurisdiction, or any order, ruling or regulation of the Securities and Exchange Commission, has been issued or made with the purpose or effect of prohibiting the issuance, offering, or sale of the Notes as contemplated hereby and no legislation has been enacted, or a bill favorably reported for adoption, or a decision by a court established under Article III of the Constitution of the United States rendered or a ruling, regulation, proposed regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter has been made or issued, to the effect that the Notes or any other securities of the District or of any similar body of the type contemplated herein are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect; and

(E) At or prior to the Closing, the Underwriters shall have received the following documents, satisfactory in form and substance to the Representative:

(i) An approving opinion of Bond Counsel as to the Notes, addressed to the County and the District, together with a letter from Bond Counsel addressed to the Representative stating that the Underwriters may rely on such approving opinion as if it were addressed to such Underwriters;

(ii) A supplemental opinion of Bond Counsel, addressed to the Underwriters, to the effect that:

(1) This Note Purchase Agreement has been duly authorized, executed and delivered by the County and the District and, assuming due authorization, execution and delivery by the Underwriters, constitutes the valid and binding agreement of the County and the District, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium and other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles (regardless of whether such enforceability is considered in equity or at law), to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against school districts in the State of California and

except that no opinion is expressed with respect to any indemnification or contribution provisions contained therein;

(2) The statements contained in the Official Statement under the captions “THE SERIES A NOTES – Description of the Series A Notes,” “THE SERIES A NOTES - Authority for Issuance,” “THE SERIES A NOTES - Security and Sources of Payment for the Series A Notes,” “THE SERIES A NOTES - Repayment Account,” “THE SERIES A NOTES - Additional Notes and Refunding Notes,” and “THE SERIES A NOTES - Investment of Funds”, insofar as such statements purport to expressly summarize certain provisions of the Resolutions, the Notes and the opinion of Bond Counsel with respect to the Notes present a fair and accurate summary of such matters; and

(3) The Notes are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Resolutions are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(iii) An opinion of Special Tax Counsel as to the Notes, addressed to the County and the District, together with a letter from Special Tax Counsel addressed to the Representative stating that the Underwriters may rely on such approving opinion as if it were addressed to such Underwriters and a supplemental opinion of Special Tax Counsel, addressed to the County and the Underwriters, to the effect that the statements contained in the Official Statement under the caption “TAX MATTERS”, insofar as such statements purport to expressly summarize certain provisions of the opinion of Special Tax Counsel with respect to the Notes present a fair and accurate summary of such matters;

(iv) A certificate signed by an appropriate official of the District to the effect that (1) such official is authorized to execute this Note Purchase Agreement, the Official Statement and the Disclosure Certificate; (2) the representations, warranties and agreements of the District herein are true, complete and correct as of the date made and as of the Closing; (3) the District has performed all its obligations required under or specified in the Resolutions and this Note Purchase Agreement to be performed at or prior to the Closing; (4) to the best of such official’s knowledge, no litigation is pending (with service of process having been accomplished) or threatened (either in state or federal courts): (a) seeking to restrain or enjoin the execution, sale or delivery of any of the Notes, (b) in any way contesting or affecting the authority for the execution, sale or delivery of the Notes, the Disclosure Certificate or this Note Purchase Agreement, or (c) in any way contesting the existence or powers of the District (but in lieu of or in conjunction with such certification the Underwriters may, in their sole discretion, accept from Bond Counsel their opinion to the effect that the issues raised in any such pending or threatened litigation are without substance and that the contentions of all plaintiffs therein are without merit); (5) the Official Statement and the Notes have been duly executed and delivered; (6) the execution

and delivery of the Notes and the approval of the Official Statement and compliance with the provisions on the District's part contained herein and therein will not result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District under the terms of any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as set forth in the District Resolution and the County Resolution; (7) such official has reviewed the Official Statement and on such basis certifies that it does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (8) each of the conditions listed in Section 12 of this Note Purchase Agreement required to be satisfied by the District has been satisfied on the date hereof and the District is not aware of any other condition of this Note Purchase Agreement that has not been satisfied on the date hereof; and (9) the Notes being delivered on the date of the Closing to the Underwriters under this Note Purchase Agreement substantially conform to the descriptions thereof contained in the Resolutions and this Note Purchase Agreement;

(v) A certificate signed by an appropriate official of the County to the effect that (1) such official is authorized to execute and to approve this Note Purchase Agreement, (2) the representations, agreements and warranties of the County herein are true and correct in all material respects as of the date of Closing, (3) the County has complied with all the terms of the County Resolution and this Note Purchase Agreement to be complied with by the County prior to or concurrently with the Closing, (4) to the best of such official's knowledge, no litigation is pending in which service of process has been completed against the County or threatened (either in state or federal courts): (a) seeking to restrain or enjoin the execution, sale or delivery of any of the Notes, (b) in any way contesting or affecting the authority for the execution, sale or delivery of the Notes or this Note Purchase Agreement, or (c) in any way contesting the existence or powers of the County, (5) such official has reviewed Appendix G — "THE LOS ANGELES COUNTY TREASURY POOL" to the Official Statement and on such basis certifies that Appendix G — "THE LOS ANGELES COUNTY TREASURY POOL" does not contain any untrue statements of a material fact or omit to state a material fact concerning the County required to be stated therein or necessary to make the statements concerning the County therein, in light of the circumstances in which they were made, not misleading, (6) each of the conditions listed in Section 12 of this Note Purchase Agreement required to be satisfied by the County has been satisfied on the date thereof and the County is not aware of any other condition of this Note Purchase Agreement that has not been satisfied on the date thereof, and (7) the Notes being delivered on the date of the Closing to the Underwriters under this Note Purchase Agreement substantially conform to the descriptions thereof contained in the County Resolution and this Note Purchase Agreement;

(vi) Evidence satisfactory to the Representative that at and as of the Closing, the Notes have the same ratings from Moody's Investors Service and Standard and Poor's Rating Services, a Division of McGraw-Hill Companies, Inc. as were set forth in the Official Statement for the Notes;

(vii) A certificate, together with a fully executed copy of the District Resolution, of the Executive Officer of the Board of Education to the effect that:

(1) Such copy is a true and correct copy of such District Resolution; and

(2) The District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(viii) A certificate of the appropriate official of the District evidencing the District's determination respecting the Preliminary Official Statement in accordance with Rule 15c2-12;

(ix) An original adopted County Resolution or a fully executed copy of the County Resolution, certified by the Executive Officer-Clerk of the Board of Supervisors of the County;

(x) A tax certificate from the District in form and substance satisfactory to Special Tax Counsel and the Representative, signed by an official of the District;

(xi) The Disclosure Certificate substantially in the form attached to the Official Statement, duly executed by the District;

(xii) An opinion of the General Counsel to the District, dated the date of Closing and addressed to the District, the County and the Representative, in form and substance satisfactory to the Representative, to the effect that such counsel has reviewed the Official Statement and such other documents and instruments as such counsel deemed appropriate in connection with the delivery of such counsel's opinion and that:

(1) the District is a public school district organized and validly existing under the Constitution and the laws of the State;

(2) the District Resolution approving and authorizing the execution and delivery of the Note Purchase Agreement and the Disclosure Certificate and the issuance of the Notes was duly adopted at a meeting of the governing body of the District that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption;

(3) the District has the full right and lawful authority to enter into and perform its duties and obligations under this Note Purchase Agreement, the Disclosure Certificate and the District Resolution and to authorize the execution of the Notes;

(4) to the best knowledge of such counsel, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending with service of process completed on the District or threatened against the District (a) affecting the existence of the District or the titles of its officers to their respective offices; (b) seeking to prohibit, restrain or enjoin the execution of the Note Purchase Agreement; (c) in any way contesting or affecting the validity or enforceability of the Notes, the Note Purchase Agreement, the Disclosure Certificate or the District Resolution; or (d) contesting the powers of the District or its authority to enter into, adopt or perform its obligations under any of the foregoing, including, but not limited to, the consummation of the transactions contemplated in the Official Statement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto; and

(5) the execution and delivery of the Notes and the approval of the Official Statement and compliance with the provisions thereof and hereof, under the circumstances contemplated thereby and hereby, do not and will not in any respect conflict with or constitute on the part of the District a breach of or default under any agreement or other instrument to which the District is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the District is subject;

(6) counsel to the District is not representing the District in connection with any litigation of any nature to restrain or enjoin the execution or delivery of this Note Purchase Agreement, the Disclosure Certificate, the Notes or any of the proceedings taken with respect to the issuance of the Notes, the application of monies to the payment of the Notes or in any manner questioning the proceedings and authority under which the Notes were authorized or challenging the validity of the Notes, the existence or boundaries of the District or the title of the officials of the District who have acted with respect to the proceedings for the issuance of the Notes on behalf of the District to their respective offices; and

(7) the Official Statement has been duly approved by the District.

(xiii) An opinion of the counsel to the County, dated the date of Closing and addressed to the Representative, in form and substance satisfactory to the Representative, to the effect that:

(1) the County is a political subdivision duly organized and validly existing under the Constitution and the laws of the State;

(2) the County Resolution approving and authorizing the execution and delivery of the Note Purchase Agreement and the issuance of the Notes was duly adopted at a meeting of the governing body of the County that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption; and said County Resolution has not been modified, amended, rescinded or revoked and is in full force and effect on the date hereof;

(3) to the best knowledge of such counsel, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending in which service of process has been completed on the County, or threatened against the County (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for the issuance and sale of the Notes to their respective offices; (b) seeking to prohibit, restrain or enjoin the execution of the Note Purchase Agreement or the issuance of the Notes or in any way contesting or affecting the validity or enforceability of the Notes, the Note Purchase Agreement or the County Resolution; (c) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the County Resolution or the Note Purchase Agreement with respect to the issuance and sale of the Notes; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for the Notes;

(4) the Note Purchase Agreement has been duly authorized, executed and delivered by the County and the Notes have been duly authorized by the County, executed by the County on behalf of the District and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, the Note Purchase Agreement will constitute a legal, valid and binding agreement of the County enforceable against the County in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles, and by limitations on remedies imposed in actions against public entities in the State;

(xiv) An opinion of Disclosure Counsel, dated the date of closing and addressed to the District and the Underwriters, to the effect that without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement and based upon the information made available to them in the course of their participation in the preparation of the Official Statement as Disclosure Counsel, no facts have come to the attention of



the attorneys rendering legal services as Disclosure Counsel to the District that has caused them to believe that the Official Statement (excluding therefrom the information relating to DTC and the book-entry system, and the financial statements and the statistical data included in the Official Statement, and Appendices A, C, D, E and G thereto, as to which no opinion need be expressed), as of the date thereof and the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading;

(xv) Evidence that the Los Angeles County Superintendent of Schools has determined that the District's repayment of principal of and interest on the Notes is probable pursuant to Section 42133 of the California Education Code;

(xvi) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative, Bond Counsel or Special Tax Counsel may reasonably request to evidence compliance by the County, the District and the Paying Agent with legal requirements, the truth and accuracy, at and as of the Closing, of the representations, warranties and agreements of the District and the County herein contained and the statements contained in the Official Statement, and the due performance and satisfaction by the District and the County at or prior to such time of all agreements then to be performed and conditions then to be satisfied by the District and the County.

If the County or the District shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Note Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Note Purchase Agreement, this Note Purchase Agreement may be canceled by the Representative at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the County and the District in writing, or by telephone or electronic communication, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County and the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative.

**Section 12. Termination of Obligations of Underwriters.** If the District or the County shall be unable to satisfy the conditions to the obligations of the Underwriters set forth in Section 11, this Note Purchase Agreement may be terminated by the Underwriters by notice to the District and the County at, or at any time prior to, the Closing. Notwithstanding any provision herein to the contrary, the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative in writing in its sole discretion.

The Underwriters shall also have the right to terminate, in their sole discretion, after consultation with the District and the County, their obligations under this Note Purchase Agreement, by notice to the District and the County at, or any time prior to, the Closing, if between the date hereof and the Closing: (i) legislation is enacted by the Congress of the United

States, or by the legislature of the State, or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made (A) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on obligations of the general character of the Notes in the hands of the holders thereof; or (B) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Notes, or obligations of the general character of the Notes, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Resolutions are not exempt from qualification under the Trust Indenture Act of 1939, as amended; (ii) there is a declaration of war or the engagement in major military hostilities by the United States or the occurrence of an act of terrorism involving the United States or the occurrence of any other national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States; (iii) there is a declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or a general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue or a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction, or a material disruption in commercial banking or securities settlement or clearance services shall have occurred; (iv) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Notes, or obligations of the general character of the Notes, or securities generally, or the material increase of any such restrictions now in force, including without limitation restrictions with respect to the extension of credit by or the net capital requirements of underwriters or broker-dealers; (v) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Notes, or the issuance, offering or sale of the Notes, as contemplated hereby or by the Official Statement, is or would be in violation of the Federal securities laws, as amended and then in effect; (vi) any rating of the Notes or other debt obligations of the District has been downgraded, suspended or withdrawn by a national rating service or a negative qualification (e.g., “credit watch” or “negative outlook” designation) or other announcement made by a national rating service that the Notes or other debt obligations of the District are under review without indication of a potentially favorable result, which, in the reasonable opinion of the Representative, materially adversely affects the marketability or market price of the Notes; or (vii) any event occurring, or information becoming known which, in the reasonable judgment of the Representative, makes untrue in any material adverse respect any statement or information set forth in the Preliminary Official Statement or the Official Statement, or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make

the statements made therein, in the light of the circumstances under which they were made, not misleading; or (viii) except as disclosed in or contemplated by the Preliminary Official Statement and the Official Statement, there occurs any material adverse change in the affairs of the District.

**Section 13. Conditions to Obligations of the District.** The performance by the County and the District of their obligations under this Note Purchase Agreement with respect to issuance, sale and delivery of the Notes to the Underwriters is conditioned upon (i) the performance by the Underwriters of their obligations hereunder and (ii) receipt by the District, the County and the Representative of opinions and certificates being delivered at or prior to the Closing by persons and entities other than the District.

**Section 14. Expenses.** (A) Unless the obligations of the Underwriters under this Note Purchase Agreement are terminated by the Representative at or prior to the Closing for any reason permitted by this Note Purchase Agreement, the Underwriters shall pay all of their own expenses (including that of their own counsel and any legal fees relating to qualification of the Notes under any state Blue Sky laws) incident to the purchase and resale of the Notes and shall further pay the following expenses: (i) DTC costs and fees; (ii) the fees payable to the California Debt and Investment Advisory Commission; (iii) Dalnet/Dalcomp fees; (iv) CUSIP Bureau charges; and (v) certain expenses of the District relating to investor meetings paid on behalf of the District. Such expenses shall be paid by the Underwriters and shall not be reimbursed by the District.

(B) If the obligations of the Underwriters under this Note Purchase Agreement are terminated by the Representative at or prior to the Closing for any reason permitted by this Note Purchase Agreement, the District shall pay all the District expenses, including those assumed by the Underwriters under paragraph (A) of this Section.

(C) The District shall pay all legal expenses of the Underwriters incurred by reason of any litigation between the Underwriters and the District regarding this Note Purchase Agreement in which there is an adverse legal determination against the District and the Underwriters shall pay all legal expenses of the District incurred by reason of any litigation between the Underwriters and the District in which there is an adverse legal determination against the Underwriters.

**Section 15. Notices.** Any notice or other communication to be given under this Note Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the County, to Treasurer and Tax Collector of Los Angeles County at 437 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012; if to the District, to Chief Financial Officer, Los Angeles Unified School District at 333 South Beaudry Avenue, 26th Floor, Los Angeles, California 90071; and if to the Underwriters, to: [Underwriter], \_\_\_\_\_, California \_\_\_\_, Attention: \_\_\_\_\_, or at such other address as shall be designated by the County, District, or Representative, as applicable, in a written notice to each of the other parties.

**Section 16. Severability.** In the event any provision of this Note Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 17. Parties in Interest; Survival of Representations and Warranties.** This Note Purchase Agreement when accepted by the County and the District in writing as heretofore specified shall constitute the entire agreement among the County, the District and the Underwriters (including their respective successors and assigns). No other person shall acquire or have any right hereunder or by virtue hereof. All of the representations and warranties of the County and the District in this Note Purchase Agreement shall remain operative and in full force and effect regardless of: (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriters, (b) delivery of any payment by the Underwriters for the Notes hereunder, and (c) any termination of this Note Purchase Agreement.

**Section 18. Entire Agreement.** This Note Purchase Agreement, when executed by the parties hereto, shall constitute the entire agreement of the parties hereto (including their permitted successors and assigns, respectively).

**Section 19. Section Headings.** Section headings have been inserted in this Note Purchase Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Note Purchase Agreement and will not be used in the interpretation of any provisions of this Note Purchase Agreement.

**Section 20. Effectiveness.** This Note Purchase Agreement shall become effective upon the execution hereof by the District, the County and the Representative and shall be valid and enforceable from and after the time of such execution.

**Section 21. Execution in Counterparts.** This Note Purchase Agreement may be executed in counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

**Section 22. Applicable Law.** This Note Purchase Agreement shall be interpreted under, governed by and enforced in accordance with, the laws of the State.

Very truly yours,

[Underwriter], as Representative of the  
Underwriters

By: \_\_\_\_\_  
Authorized Representative

The foregoing is hereby agreed to and accepted  
as of the date first above written:

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Mark J. Saladino  
Treasurer and Tax Collector

Approved as to form:

JOHN KRATTLI  
ACTING COUNTY COUNSEL

By: \_\_\_\_\_  
Principal Deputy County Counsel

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_  
Megan K. Reilly  
Chief Financial Officer

**EXHIBIT A**

**PARTICIPATING UNDERWRITERS**